

City of Saint Paul
2004 Adopted Budget

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Description of Saint Paul's Form of Government

The city charter provides for a municipal corporation governed by an elected chief executive, the mayor, and an elected legislative body, the city council. The form of government is commonly referred to as "strong mayor-council." Elections are held in November of odd-numbered years, with a four-year term for the mayor and four-year terms for councilmembers. Each of the seven councilmembers is elected from a separate ward; the seven wards are approximately equal in population.

The mayor recommends appointments for department/office directors and members of boards and commissions for council approval, and is responsible for the direction and control of departments and offices. The mayor recommends policies and budgets to the city council. The mayor exercises all powers and performs all executive duties given by the city charter, city ordinances and state laws. The mayor has the authority to veto council actions. The council can override the mayor's veto with a minimum of five votes.

The council is the legislative body, setting policies by enacting ordinances and resolutions. It can monitor and maintain liaison with community groups to assure adequate citizen participation. The council analyzes, adopts and monitors the city budget. Councilmembers prepare and promote the city's legislative program. They serve on boards and commissions of certain intergovernmental agencies.

Elected Officials

Office	Name	Term Expires
Mayor	Randy C. Kelly	01-01-2006
Councilmembers:		
District 1	Jerry Blakey	01-01-2004
District 2	Christopher Coleman	01-01-2004
District 3	Patrick Harris	01-01-2004
District 4	Jay Benanav	01-01-2004
District 5	Jim Reiter (Deceased)	01-01-2004
	Lee Helgen	01-01-2004
District 6	Daniel Bostrom	01-01-2004
District 7	Kathy Lantry	01-01-2004

Appointed Officials

Department/Office	Director's Name	Term Expires
Citizen Services	Donald Luna	*
City Attorney	Manuel Cervantes	*
Financial Services	Matt Smith	*
Fire and Safety Services	Doug Holton	08-18-2009
Human Rights	Tyrone Terrill	*
Human Resources	Angie Nalezny	*
License Inspec. Env. Protection	Janeen Rosas	*
Mayor's Chief of Staff	Dennis Flaherty	*
Neighbhd Housng/Prop. Imprvmt	Andy Dawkins	*
Parks and Recreation	Bob Bierscheid	*
Planning and Econ. Development	Martha Fuller	*
Police	William Finney	07-17-2004
Public Libraries	Gina LaForce	*
Public Works	Bob Sandquist	*
RiverCentre	Bill Huepenbecker	**
Office of Technology	Karen Johnson	*
Regional Water Services	Bernie Bullert	Retired after process completed

* Serves at pleasure of the Mayor

** Serves at pleasure of RiverCentre Authority

Mayor's Budget Philosophy and Objectives for City Staff

Budget Philosophy

Saint Paul, like many cities, faces serious budget challenges. Yet, I believe the 2004 budget is not just a financial challenge—it's also an opportunity to reshape city government: how it works, and how it serves the public.

Here are some of the themes that I asked city departments to reflect on as they began their budget planning earlier this year:

Reduce our general fund reliance on state funding so we can provide public services dependably.

The state budget crisis became our budget crisis because we are so dependent on state LGA payments. Depending on the state for 43% of our general budget puts too many important services at risk. In response, we need to:

- Increase the general fund spending base by pulling some special funds back into the general fund, where appropriate.
- Diversify and increase our locally-controlled revenues, like consumption and franchise taxes, fees and charges.
- Focus development initiatives on jobs, housing and businesses that increase our tax base for the long run.

Consolidate, collaborate, and count costs so taxpayers get the best possible value.

- Aggressively pursue consolidation and shared service delivery with the county, school district, other cities and private and nonprofit partners.
- Spread the full costs (including overhead) of providing services against department budgets. When it's clear what things really cost to provide, we can manage them better.
- Review the City's contracts with service providers to ensure good value, and modify or rebid them where we need to.
- Continue to refocus on the most critical services and streamline their management and delivery. We need to improve how we do what's most important to citizens, and make the tough choices about the rest.

Preserve public safety and livability while reforming delivery and controlling costs.

- Maintain current outcomes in public safety services, access to high quality parks and libraries, and a good transportation infrastructure—but also recognize the reality that this will require changes in longstanding staffing and service models across many departments.
- The 2004 budget will be the first to reflect the city/county public safety partnership made possible by the new Griffin Building police headquarters on the law enforcement campus.

Maintain sound long-term financial management

- Minimize, as much as possible, our reliance on using one-time fund balances to pay for ongoing operating costs. We will be forced to do some of this in 2004 to adjust to such a large LGA cut, but over time we will need to return to a course where our annual expenses are no more than our income.
- Evaluate the impact of our budget decisions on 2005 also, so that the “out-year” effects of this year's budget decisions on the following year are clear.
- Retain the city's AAA bond rating.

Priorities for 2004

Despite significant budget challenges, we are on a path to keep Saint Paul affordable, safe and growing by short- and long-term strategic investment in a few targeted areas.

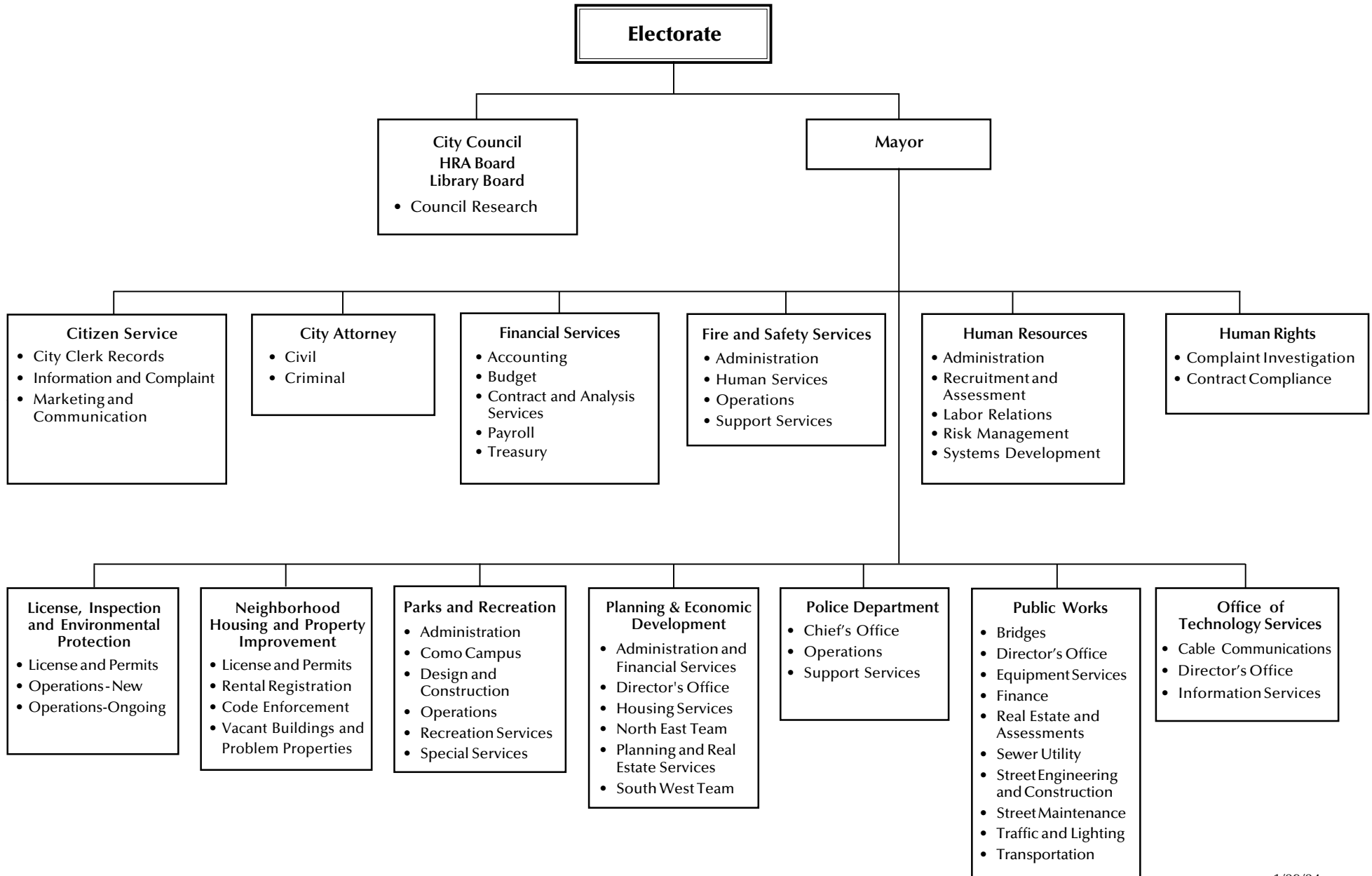
- **Affordability:** For the 11th year in a row, the City budget will cause no increase in the overall amount of property taxes collected. We understand that in order to compete for business development and remain desirable for new homeowners and renters we must do all we can to keep our City budget affordable for our taxpayers.
- **Public Safety:** We will continue the commitment to City government's number one priority: public safety. The Police Department will move to a new state-of-the-art police headquarters in October to consolidate communications services and improve operations efficiency. The City is working with Ramsey County and the state to obtain new 800Mgz technology for emergency communication, which could be operational in

2004.

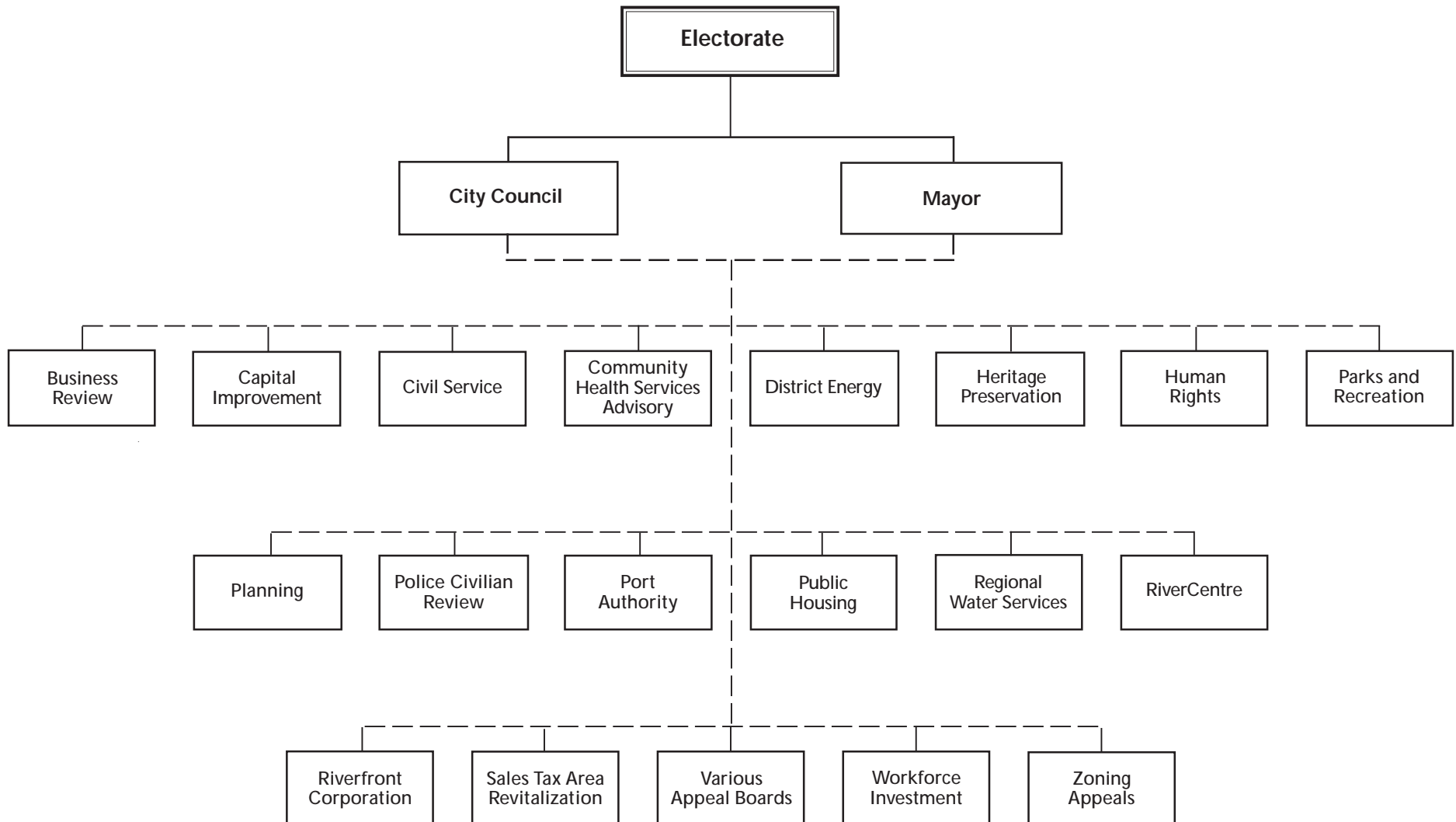
- Housing 5000: We will continue to work with our partners to meet our goal to build 5,000 new housing units by the end of 2005. We are capitalizing on a nationwide trend, which is a return to urban core living by two key demographic segments: empty nesters, with significant wealth and disposable income; and young adults, who because of low mortgage rates can own a home for the same cost as renting.
- Preservation and growth of our tax base: We must continue to look for and invest in ways to preserve and increase our tax base if we are to continue to provide City services without large increases in property taxes. Key initiatives in the biosciences area and health care will receive priority.
- Other priorities include: Promote and develop our arts, culture and entertainment community; continued focus on riverfront development as a key community asset; join with our community partners in marketing the City to the region, state and nation; and cooperate with our partners in education and recruit volunteers to improve reading levels.

City of Saint Paul, Minnesota

(Form of Government: "Strong" Mayor, with Seven Councilmembers Elected by Ward)



City-Appointed Boards and Commissions



Highlights and Important Features

2004 Adopted Budget

The 2004 adopted budget for the City of Saint Paul is \$487,515,179. This is the total of the budgets of all City funds: general fund, special funds, debt service funds and capital improvement funds. This is a 3.4% decrease from the 2003 adopted budget, primarily in the general fund operating budget with a slight increase in the capital improvements budget. If transfers from one fund to another are excluded and the amount budgeted for approximately one half of the 2004 debt payments is excluded, the City budget is \$427,363,628. The RiverCentre and Water Utility operating and capital budgets, like the HRA budgets, are submitted separately from the city budget. In addition, the Library budget will also be submitted as a separate document, reflecting the ordinance passed in 2003 to make the Library an independent agency. Therefore, Library budgets are not included in this book.

General Highlights:

Property Taxes. The City's adopted tax levy has been held constant, or has been reduced, in each of the last 10 years. The 2004 tax levy proposal increases, but only by the amount that the Port Authority levy is expected to decrease in 2004. Therefore, taxpayers will not experience a levy increase, again for an eleventh year, as a result of the combined City and Port Authority levies.

Service Charges and Fees. This budget contains a 5% increase in the sanitary and storm sewer fees, which have not been increased since 1998, as well as a \$2 per household increase for recycling fees. It also includes the second year of the two-year implementation of the right-of-way maintenance assessment approved in the adopted 2003 budget. Additionally, various increases are proposed for license and permit fees to cover costs. 2004 paramedic fees are increased by 6%, raising the fee from \$870 to \$922, and providing \$363,000 in general fund financing. The budget anticipates an additional \$91,950 in certificate of occupancy fee collections, which is a 15% increase over 2003 and the second year of the two year rate adjustment started with the 2003 budget. The budget also includes an adjustment of the

fees for summary abatements, raised from \$25 to \$50, and vacant building monitoring, raised from \$200 to \$250, to cover the cost of providing these services. Also planned in the budget is a \$1.50 increase for pawn shop transaction fee and an increased fee and fine structure for the false alarms to more appropriately charge for the cost of service provided.

Capital Improvement Funding: \$82,965,000. The proposed 2004 capital improvement budget (CIB) provides funding for all capital projects financed with local, state, federal or other revenues received by the City for this purpose.

Significant Department Changes:

Introductions to the general fund (pages 21-31), special funds (pages 33-39), and general obligation debt service funds (pages 41-48) sections of this document detail important features of financing and spending within each of those areas. Significant features of the overall budget are highlighted in those sections.

The Public Library Agency: State legislation passed during the 2002 session provided the authority to allow the Saint Paul Public Library to become an independent unit, separate from Saint Paul City government. In 2003, the City Council adopted an ordinance creating the independent agency, effective for 2004. In accordance with the ordinance, the Independent Library Agency submitted its 2004 budget to the Mayor, and the Mayor presented the Library budget to the City Council, who adopted it with some modifications. The Library budget will no longer be a part of the City budget, and is not reflected as part of the 2004 City budget in this book. The Public Library Agency will publish a separate document for its adopted budget.

Budget Process

The budget process is designed to conform with state law, the city charter, and the legislative code. The process to develop the budget commences in February.

January - March

The budget for 2003 is finalized during this time. This includes preparing, printing and distributing books reflecting the 2003 adopted budget. The accounting section of the Office of Financial Services prepares the annual financial report for the previous year (2002). During this time, the “base budget” for the upcoming year (2004) is identified.

April - June

Forms, instructions, printouts and the mayor’s guidelines are distributed to departments. These tools are used to plan for and develop operating budgets. Department management and staff identify objectives, performance indicators and the resources needed to accomplish goals. Services are reviewed to determine purpose, need and cost-saving ideas.

Department requests for the 2004 budget are submitted to the Office of Financial Services in June. After that, each department’s budget is analyzed by the OFS budget staff. The mayor meets with the department directors to discuss their needs, and to ensure that budgets meet the service level and taxing objectives that have been established for the city.

July - September

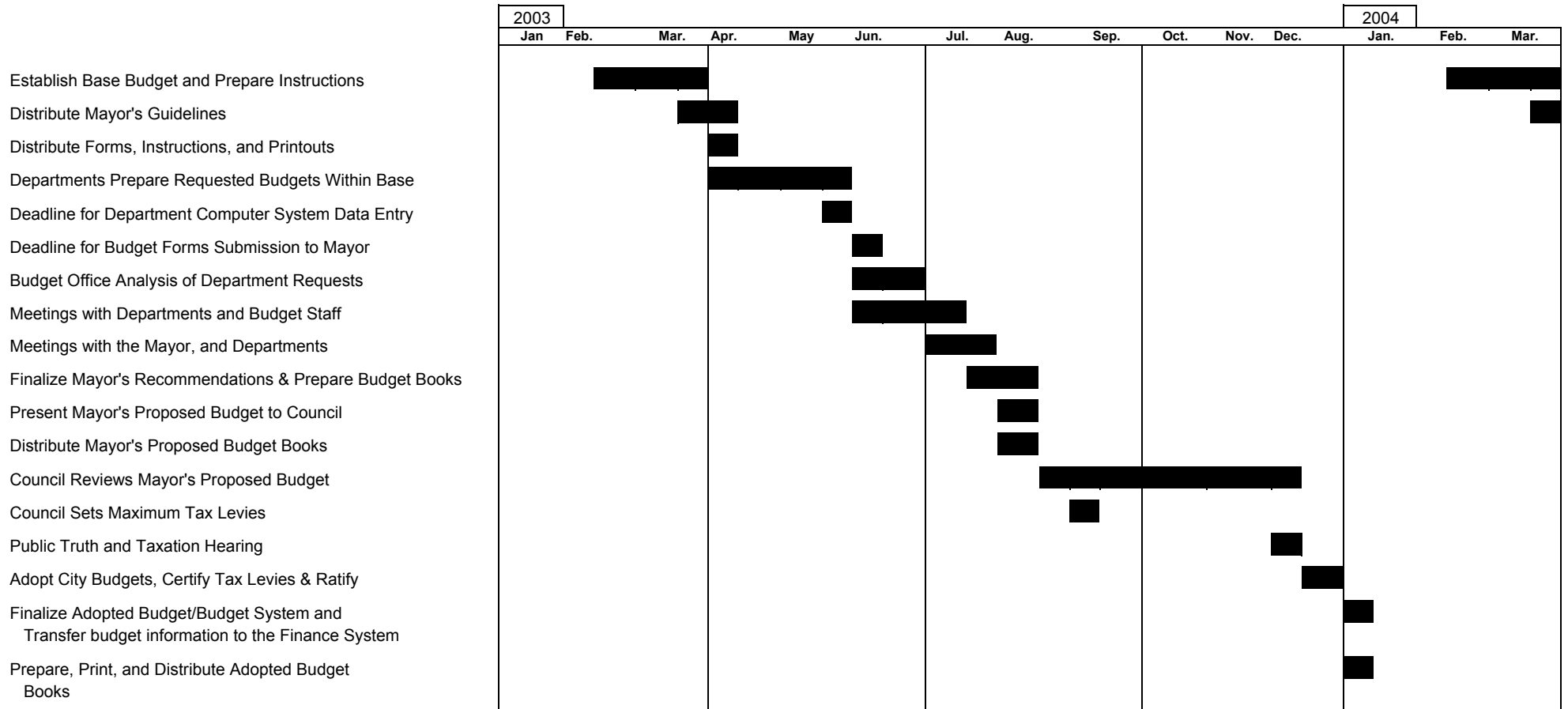
The budget staff finalizes the mayor’s recommendations and produces the mayor’s proposed budget. The mayor then submits the recommended budget to the city council by August 15, as required by the city charter.

In August, the city council begins reviewing the mayor’s proposed 2004 budget. The council holds meetings with department directors, management and staff to obtain a clear understanding of the department’s goals, service priorities and objectives that are represented in the proposed budget. As required by state law, the city council sets the *maximum* property tax levy in September. Governmental units can adjust budgets, resulting in property taxes that are less than, but not more than, the maximum levy.

October - December

The city council holds public hearings on the budget. Ramsey County mails property tax statements to property owners indicating the *maximum* amount of property taxes that the owner will be required to pay. These statements also indicate when the “Truth in Taxation” public hearings will be held. State law requires the city to hold a joint meeting with the county and school district. This meeting is held in early December. The city council then adopts a budget and tax levy for the city. The adopted budget represents changes made by the city council to the mayor’s proposed budget. The mayor has line-item veto authority over the council-adopted budget.

CITY OF SAINT PAUL BUDGET CYCLE



Content and Other Publications

Information Included

This publication contains information on City of Saint Paul budgets, that is, the operating budgets and debt service budgets. Operating budgets include the general fund and 52 special funds. The capital improvement budget (CIB) is included in a separate document. The Housing and Redevelopment Authority (HRA), Water Utility, RiverCentre, Library agency, and Port Authority budgets are not included because they are separate entities.

Purpose

The goal of this report is to provide taxpayers with an easy-to-use guide to city spending. We have tried to answer the question, “Where does the money go?” by providing tables and graphs to display this information. As a staff, we always struggle with what level of detail to show. If we show too little detail, our publications will not answer the questions people most commonly ask. If we show too much detail, the budget documents become extremely large and expensive to print. Pouring through them can be daunting, tedious and time consuming.

We hope that this summary will help make taxpayers aware of where the city’s resources come from and where they go. By looking at the information, we hope they will see how state revenues and decisions on property tax classification affect local property taxes. They will understand better how the property tax base affects property taxes. And they will see how difficult it is for decision makers to make cuts in the budget without including some of the services taxpayers tell us they hold most dear, such as police, fire, libraries and parks. These services are such a large portion of the budget, they are difficult to ignore. We believe heightened taxpayer awareness of city programs will increase the quality of public debates on spending and taxes and, ultimately, the quality of public policy.

Budgets, Not Spending

Unless otherwise noted, the numbers in this document are *budget* amounts, not actual spending. Actual spending amounts for past years can be found in a publication called the “Comprehensive Annual Financial Report” (see information following).

Other Publications and Information

The Office of Financial Services (OFS) publishes other documents. Each year we publish this summary document to display the council-adopted budgets. Detailed proposed budget information, at the activity and line item level, is also available. However, to keep printing costs down, it is only available on a limited-distribution basis. OFS also publishes a brochure which contains budget data and demographic information. As time permits, we update a statistical summary with trend information over longer periods of time. These publications are available for viewing in Saint Paul Public Libraries, Government Documents Section, or by calling the Office of Financial Services at 651-266-8797. Our website is www.ci.stpaul.mn.us. Some budget documents are available on this web site.

Other publications are listed below. Most of them are also available in Saint Paul Public Libraries. We encourage you to use library copies whenever possible to obtain information, but if you cannot, we have listed publications and contact persons for you.

- “Capital Allocation Policy.”
Contact Allen Lovejoy at 651-266-6576.
- “Comprehensive Annual Financial Report.”
Contact Lori Lee at 651-266-8822 or Jose Jovellana at 651-266-8820
- “General Obligation Debt Overlapping on the Saint Paul Tax Base: Five Year Debt Management Strategy, 2001-2005.”
Contact Todd Hurley at 651-266-8837.
- Housing and Redevelopment Authority (HRA) annual budget and the “Comprehensive Annual Financial Report.”
Contact Tom Meyer at 651-266-6667.
- Public Library Agency
Contact Susan Cantu at 651-266-7076.
- Port Authority financial statements and the report of independent public accountants.
Contact Tom Collins at 651-224-5686.
- Regional Water Services.
Contact Ruth O’Brien at 651-266-6322.
- RiverCentre
Contact Bill Huepenbecker at 651-265-4822.

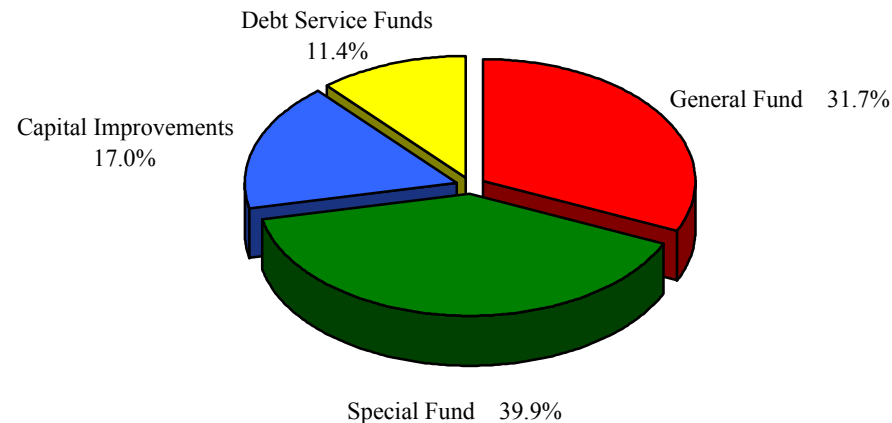


Composite Summary

Composite Summary - Total Budget

City of Saint Paul: All Funds			
Composite Plan	2002 Actual Budget	2003 Adopted Budget	2004 Adopted Budget
General Fund (Operating)	173,460,663	175,439,033	154,485,497
Special Fund (Operating)	167,926,703	194,132,137	194,303,841
Capital Improvements	58,799,602	79,058,000	82,965,000
Debt Services Funds	36,564,716	55,919,975	55,760,841
Total Budgets (Unadjusted)	<u>436,751,684</u>	<u>504,549,145</u>	<u>487,515,179</u>
Less Transfers	(48,553,934)	(87,679,128)	(38,562,709)
Less Subsequent Year Debt	<u>0</u>	<u>(22,038,548)</u>	<u>(21,588,842)</u>
Adjusted Financing Plan	<u><u>388,197,750</u></u>	<u><u>394,831,469</u></u>	<u><u>427,363,628</u></u>

Composite Summary - Total Budget 2004 Adopted Budget



Composite Summary - Workforce

City of Saint Paul: All Funds
Full Time Equivalents (FTEs)

Department	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget
Affirmative Action (b)	3.8	0.0	0.0
Attorney	65.0	67.5	65.8
Citizen Services	11.0	12.0	9.0
Council	29.4	29.4	25.5
Debt Service Fund	2.5	2.5	2.4
Financial Services (c)	27.7	27.0	44.2
Fire and Safety Services	478.0	476.5	459.6
General Government Accounts	1.1	1.1	1.1
StP-RC Health	90.8	67.2	64.1
Human Resources (b, d)	25.8	33.1	31.2
Human Rights	12.0	10.5	7.0
Labor Relations (b)	5.0	0.0	0.0
Libraries (a)	179.6	179.1	0.0
License, Inspection and Env. Protection	110.7	114.7	107.6
Mayor's Office	15.0	15.0	14.8
Neighborhood Housing & Property Improvement	34.5	34.8	32.2
Parks and Recreation	496.8	477.5	472.0
Planning and Economic Development	116.7	109.6	91.5
Police	781.6	780.4	745.9
Public Works (e)	437.7	420.1	434.3
Office of Technology (c, d, e)	<u>117.7</u>	<u>122.1</u>	<u>68.2</u>
Total	<u><u>3,042.4</u></u>	<u><u>2,980.1</u></u>	<u><u>2,676.4</u></u>
Total General Fund	<u>1,981.3</u>	<u>1,957.8</u>	<u>1,658.6</u>
Total Special Fund	<u>1,061.1</u>	<u>1,022.3</u>	<u>1,017.8</u>

(a) Saint Paul Libraries became their own agency (The Library Agency) effective in 2004 and is no longer a part of the City of Saint Paul's operating and debt service budget

(b) Affirmative Action and Labor Relations are part of Human Resources for 2003.

(c) Contract and Analysis Services moved from Office of Technology to Financial Services for 2004.

(d) Risk Management moved from Office of Technology to Human Resources for 2004.

(e) Real Estate moved from Office of Technology to Public Works for 2004.

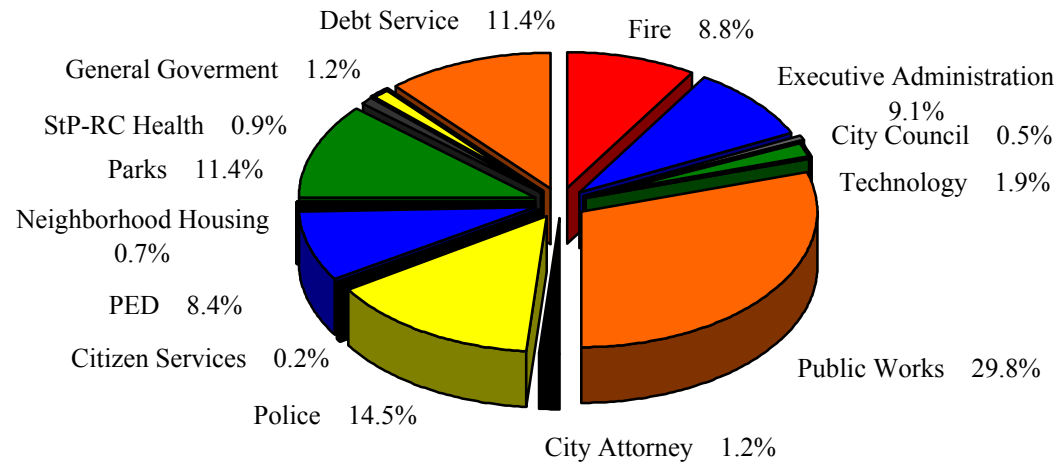
Composite Spending - By Department

2004 Council's Adopted Budget (By Department and Fund Type)					
Department	General Fund	Special Funds	Debt Service	Capital Budget	Total All Budgets
Attorney	5,177,975	909,746			6,087,721
Citizen Services	1,089,275				1,089,275
Council	2,216,365	65,161			2,281,526
Debt Service			55,760,841		55,760,841
Financial Services	1,911,085	13,149,806		13,138,000	28,198,891
Fire and Safety Services	39,833,158	3,088,467			42,921,625
General Government Accounts	5,962,766				5,962,766
StP-RC Health		4,170,953			4,170,953
Human Resources	3,010,636				3,010,636
Human Rights	532,632	47,614			580,246
Libraries (a)					0
License, Inspection, and Environ. Prot.	735,975	10,002,816			10,738,791
Mayor's Office	1,294,963	369,855			1,664,818
Neighborhood Housing & Property Impr.	2,446,577	748,377		200,000	3,394,954
Parks and Recreation	21,733,652	16,623,377		17,336,000	55,693,029
Planning and Economic Development	108,483	20,573,707		20,050,000	40,732,190
Police	57,884,518	12,931,208			70,815,726
Public Works	5,184,354	108,030,868		32,241,000	145,456,222
Office of Technology	5,363,083	3,591,886			8,954,969
Total	154,485,497	194,303,841	55,760,841	82,965,000	487,515,179

(a) Saint Paul Libraries became independent (the Library Agency) effective in 2004 and is no longer a part of the City of Saint Paul's operating and debt service budgets.

Composite Spending - By Department

2004 Council's Adopted Budget



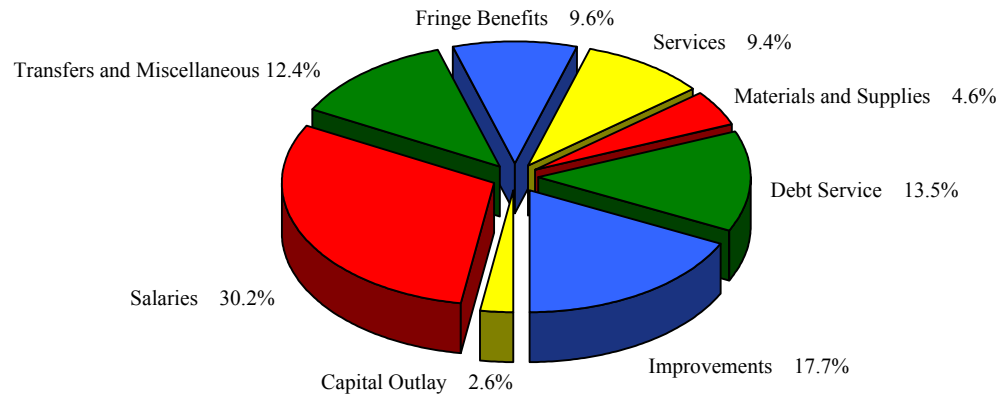
Composite Summary - Spending and Financing

Council's Adopted Spending Summary (2004 Spending by Major Object)					
Object	General Fund	Special Fund	Debt Service	Capital Budget	Total
Salaries	93,488,168	53,412,901	147,582		147,048,651
Services	16,063,112	29,802,741	80,374		45,946,227
Materials and Supplies	7,637,294	14,559,429	6,665		22,203,388
Fringe Benefits	29,240,234	17,625,420	47,766		46,913,420
Transfers and Miscellaneous	5,191,086	55,045,773	282,488		60,519,347
Debt Service	1,255,618	9,300,282	55,195,966		65,751,866
Improvements	5,329	3,400,996		82,965,000	86,371,325
Capital Outlay	<u>1,604,656</u>	<u>11,156,299</u>			<u>12,760,955</u>
TOTAL	154,485,497	194,303,841	55,760,841	82,965,000	487,515,179

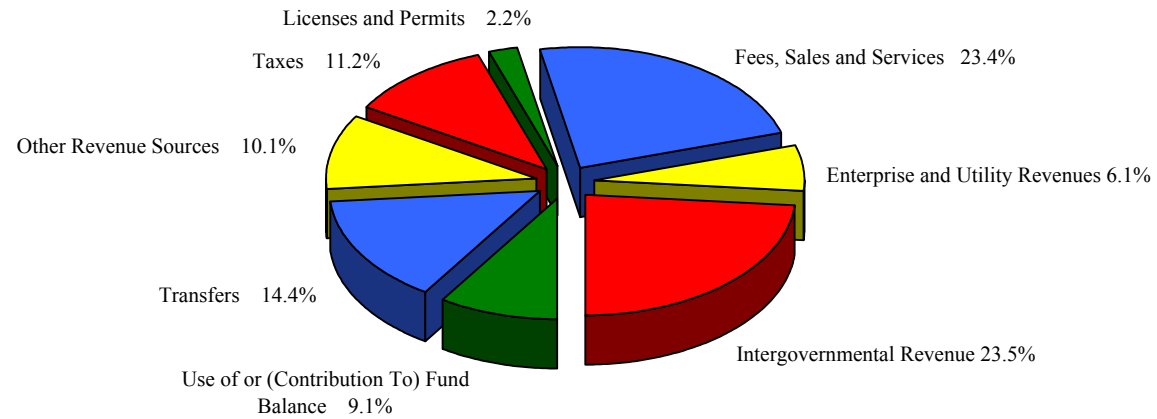
Financing Summary (2004 Revenue By Source)					
Source	General Fund	Special Fund	Debt Service	Capital Budget	Total
Use of or (Contribution to) Fund Balanc	5,844,853	12,176,841	26,312,277		44,333,971
Transfers	9,461,732	7,420,193	7,889,301	45,520,000	70,291,226
Taxes	42,628,080	1,616,915	10,236,665		54,481,660
Licenses and Permits	884,320	9,981,680			10,866,000
Intergovernmental Revenue	60,693,655	22,689,558	4,758	31,304,000	114,691,971
Fees, Sales and Services	13,321,194	100,724,218			114,045,412
Enterprise and Utility Revenues	18,262,628	10,685,405	910,000		29,858,033
Other Revenue Sources	<u>3,389,035</u>	<u>29,009,031</u>	<u>10,407,840</u>	<u>6,141,000</u>	<u>48,946,906</u>
TOTAL	154,485,497	194,303,841	55,760,841	82,965,000	487,515,179

Summary - Spending and Financing

2004 Spending By Major Object



2004 Revenue By Source





General Fund

General Fund

2004 Adopted Budget

Purpose: One of four major budget categories, the general fund is the principal financial support for such basic city services as the police and fire departments, parks and recreation, and public works (i.e., streets, bridges, engineering and traffic). The major financing sources for this fund are property taxes, local government aid, franchise fees, and other revenues not dedicated to a specific purpose. The tables and graphs on the following pages detail the spending and financing plan adopted for this fund in 2004.

Financing Highlights:

The major financing sources for this fund are:

- Property taxes - 26.9%
- State aids (incl. Local Government Aid) - 37.0%
- Franchise fees - 11.5%
- Other revenues, aids, and user fees - 24.6%

From 1994 through 2003, the City property tax levy has been kept equal to or less than the levy of the prior year, so other revenues, aids and user fees have financed a slightly larger portion of the general fund budget. In 1994, property taxes contributed to 32.4 percent of the budget and other revenues and fees supplied 12.2 percent. From 1994, through 2002, state aids, at about 45 percent and franchise fees at 10 percent, have stayed fairly consistent with respect to their level of general fund financing. Major sources for the growth since 1994 in other revenues have been interest earnings, fine revenues, paramedic fees, and the use of fund balances.

Certified Local Government Aid (LGA): The nature of the state's economy, and the State of Minnesota's fiscal issues has had a tremendous impact on the City's reliance on State provided local government aid to cities (LGA). Saint Paul's portion of State LGA has been reduced from a certified level for 2003 of \$76,129,865 to a revised level for 2003 of \$63,082,264. St. Paul's LGA has been further reduced for 2004 to \$56,488,168. For 2004, it has been decided that LGA will be split between the City budget (\$51,209,335) and the Independent Library Agency (\$5,278,833). LGA for 2004 has been reduced by \$19,641,697, or 25% from the 2003 certified level.

Property Tax Relief: This budget continues the practice of using a planned portion of the fund balance for property tax relief. In 1994, the Mayor and City council initiated a tax policy to keep Saint Paul affordable. Property tax revenues for Saint Paul City government have been held constant, or have been reduced, in each of the last ten years. The 2004 City levy and Port Authority levy proposal will continue that trend for an eleventh year. \$9,855,007 of the city levy and \$9,661,771 of the city levy financing will be shifted to the Library Agency budget in 2004. The City and Library Agency will share equally in the burden of any uncollected payable 2004 levy.

Fund Balance: Dollars from the fund balance that have been designated for property tax relief again have been applied to finance this budget and avoid an increase to the City's property tax. The planned use of fund balance for the 2004 operating budget decreases from the 2003 level. The amount of fund balance used as financing for the 2004 adopted budget is 3.5 percent of the total budget (city government and library combined).

City Franchise Fees: The expected financing level will slightly increase in 2004, with the estimate based on original projections adjusted for 2002 current collections.

General Fund Interest Earnings: Interest estimates are projected to decrease again from 2003 to 2004 based on assumptions of investment balances and interest rates. The estimate has been increased to reflect some new interest producing approaches approved in the 2003 budget adjustment plan, commonly referred to as Round 1 and 2.

Spending Highlights:

The Independent Library Agency: State legislation passed during the 2002 session provided the authority to allow the Saint Paul Public Library to become an independent unit, separate from Saint Paul City government. In 2003, the City Council adopted an ordinance creating the independent agency, effective for 2004. In accordance with the ordinance, the Independent Library Agency submitted its 2004 budget to the Mayor, and the Mayor presented the Library budget to the City Council. The Library budget will no longer be a part of the City budget, and is not reflected as part of the 2004 City budget in this book.

Rate of Growth: Saint Paul's general fund budget has been reduced by \$20,953,536, or 12%, from \$175,439,033 in 2003 to \$154,485,497 in 2004. However, the 2003 amount includes \$11,548,871 for Libraries, which is no longer a part of the 2004 budget amount. If Libraries are adjusted out of the 2003 figure, then Saint Paul's general fund budget has been reduced by \$9,404,665, or 5.8%, from \$163,890,162 in 2003 (as adjusted) to \$154,485,497 in 2004. To ensure expenditures and revenues remain in balance in the general fund, the City will continue to restrict spending in 2003 and 2004. The City revised its adopted 2003 budget downward in February and April of 2003 to reflect the budget reduction planning brought on by the State of Minnesota's Local Government Aid cut backs. These 2003 mid year spending reductions carried forward into many of the 2004 department budgets, and are described in the following department sections.

Wage Increases: Salaries and benefits are the most significant cost of the City's operating budgets. The 2004 base budget was increased for the anticipated growth in 2004 for salaries and fringes related to the bargaining process.

City Council: The City Council's adopted budget for 2004 is \$2,216,365, which is a very small reduction from the \$2,218,107 adopted 2003 budget. This budget reflects the Mayor's and Council's 2003 mid-year reductions to the Council's budget. The Council's 2004 budget proposal includes the reorganization of the clerical staff as approved by the City Council in 2003, and the elimination of four positions. For 2004, the City Council took action to restore funding of a full-time director level position and placed it in council contingency.

Citizen Service Office: The adopted budget for the Citizen Services' Office largely reflects the Mayor's and Council's 2003 mid-year reductions, and the shift of the Neighborhood Housing and Property Improvement unit to a new, separate department budget.

City Attorney: The adopted budget for the City Attorney's Office shows the Mayor's and Council's 2003 mid-year reductions. Those reductions eliminated four positions, three of which were vacant. The 2004 adopted budget is \$5,177,975, a 3.5% increase from the 2003 adopted budget. Spending increases are financed by an anticipated \$431,000 increase in prosecution surcharge revenues.

Financial Services: The adopted budget for the Office of Financial Services is \$1,911,085, which is an increase of \$234,536 over the adopted 2003 budget. The increase is due solely to a shift of the budgets of purchasing services and vendor outreach functions (\$471,794) into Financial Services from the Department of Technology and Management Services' budget, and makes other reductions in Financial Services much less obvious.

Fire Department: Fire's adopted general fund budget for 2004 is \$39,833,158, and is down \$1,310,754, or 3.1% from the adopted 2003 budget of \$41,143,912. The adopted budget maintains the revised 2003 staffing levels into 2004, and reflects 2003's mid year reductions. Some of the reduction in the 2004 budget is related to the 14 vacant fire fighters positions removed from the budget in the mid year 2003 reduction plan. \$300,000 of the reduction is a managed cutback in the collection fee the City pays to the emergency medical service billing agency. Plans for 2004 equipment purchases were reduced by \$239,344, because an ambulance replacement and some other equipment will be

purchased in 2003 instead of in 2004. Total 2004 paramedic fee financing estimates are increased by \$363,000. This budget approves a 6% increase in the EMS charge, raising it from \$870 to \$922. The budget also increases the estimate for certificate of occupancy fee collections by \$91,950, which will mean a revision to the city ordinance.

Human Resources: The general fund budget for Human Resources for 2004 is \$3,010,636, and is down \$781,925, or 20.6% from the 2003 budget of \$3,792,561 (adjusted for the Risk Management transfer). The adopted budget includes 2003's mid year reductions and reflects the merging of the risk management function into the Office of Human Resources. With the consolidation, funding for some positions has been removed from the budget. Overall, staff position FTEs have decreased from 44.1 in 2003 to 31.2 in 2004, a drop of 12.9 for the combined human resource and risk management units. City Council offset this a bit by adding funding for one workers' compensation staffer, to be charged to department fringe benefit budgets. Dollars are included in the budget for a major test for either police or fire candidates.

Human Rights: The adopted budget reflects the Mayor's and Council's 2003 mid-year reductions that eliminated three positions. The adopted budget eliminates an additional half position for 2004.

License, Inspection, and Environmental Protection (LIEP): The budget adopted for 2004 reflects a 41.9% decrease from the 2003 adopted budget. LIEP's 2004 adopted budget is \$735,975 and shows the shift of the entire zoning function budget out of the general fund to LIEP's special fund budget. Savings in salary dollars are recognized by filling one vacancy with multiple part-time staff, designed to maintain the current level of animal control services and flexible service hours with reduced financial resources.

Libraries: Beginning in 2004, the Library budget is no longer included in the City's general fund budget. The Library budget will be published as a separate budget book since the City Council approved the Library becoming an independent agency.

Mayor's Office: The Mayor's Office budget for 2004 is \$1,294,963, which is a 6.4% reduction from the \$1,382,816 adopted 2003 budget. The adopted budget largely reflects the Mayor's and Council's 2003 mid-year reductions that eliminated two positions and reduced miscellaneous spending items.

Neighborhood Housing and Property Improvement (NHPI): The separate budget for Neighborhood Housing and Property Improvement is new for 2004. The NHPI budget was formerly a part of Citizen Services. The adopted budget for Neighborhood Housing and Property Improvement reflects the Mayor's and Council's 2003 mid-year reductions. Additional resources are approved to continue to provide 14 annual neighborhood sweeps and to hire a law clerk to assist with the necessary court actions to close down problem properties. This added spending is supported by revenue from increased administrative fees for inspecting properties (from \$25 to \$50) and an increased fee for monitoring vacant buildings (from \$200 to \$250). The adopted budget also recommends that the City begin to charge for the cost of inspecting properties multiple times for the same code violation. The authority to charge for re-inspecting properties was granted to the City during the State's 2003 legislative session.

Parks: The Parks and Recreation Department's general fund budget is \$21,733,652, and is \$1,008,290, or 4.4% less than the 2003 adopted budget. This decrease primarily reflects reductions implemented by the Mayor and Council in mid-year 2003. Reorganization of several functions and restructuring of job titles contributed to the reduction. No recreation centers are scheduled to be closed as a result of the reductions. The adopted budget includes two sources of new revenue: \$80,000 from collaborations with community center organizations, and \$95,000 from voluntary visitor donations at Como Zoo.

Planning and Economic Development: The City's general fund has been eliminated as a financing source to support the PED operations fund. This reflects a loss of \$935,861 in financing for the PED operations fund, as compared to the adopted 2003 budget. This financing reduction has been resolved primarily through spending cuts. The department's remaining general fund appropriation will support a newly created Historic Preservation Intern position.

Police Department: The general fund budget for the Police department is \$57,884,518 for 2004, compared with \$57,873,482 for 2003. This is an increase in the 2004 police general fund budget from the 2003 adopted budget. The adopted budget allows for full funding of regular salaries and fringes for 562.3 sworn personnel in 2004. However, the adopted general fund budget for the city share of the school resource officer program is less than the 2003 adopted budget in anticipation of the independent school district offsetting this and providing more financial support for this program. The budget includes additional funding to continue the City's participation in the Minnesota Gang Strike Task Force, for the debt service of the new Griffin building lease, to cover increased costs for the police officer clothing allowance, to cover lease costs for a Rice Street storefront, and to continue a basic level of maintenance at the partially vacated Tenth Street public safety buildings. The 2004 budget adjusts the level of permanent sworn personnel from 576.6 FTEs in 2003 to 562.3 FTEs in 2004. The decrease is the result of the Mayor's and Council's 2003 mid-year reductions. The budget relies on some temporary funding to set the sworn complement to 562.3 FTEs in 2004, by applying one or two year funding from Federal (Internet Crimes Against Children, School Resource grant, Recruit Community Police Officers), and State (Gang Strike Force, Juvenile Accountability) sources. The total department FTEs rose from 731.9 in 1997, to 746.1 in 1998, to 752.4 in 1999, to 775.0 in 2000, to 778.9 in 2001, to 781.6 in 2002, including the temporary sworn increase, and to 780.4 in 2003. The 2004 adopted budget has 745.9 FTEs.

Public Works Department: The 2004 general fund budget adopted for Public Works is \$5,184,354, a 17.2% decrease from the 2003 adopted budget of \$6,258,961. This budget largely reflects the Mayor's and Council's 2003 mid-year reductions which decreased spending in various areas of the department's budget. The budget also includes new revenues of \$354,905 which are expected to be created from consolidations and collaborative efforts with Public Works and other City departments and/or government agencies.

Office of Technology: The former Department of Technology and Management Services has been re-organized to strengthen its focus on technology issues. The Contracts and Analysis, Real Estate, and Risk

Management divisions were moved to other departments and offices. The remaining budget reflects reductions due to the mid-year 2003 plans, with some exceptions: transfer of the City web master position from Public Works to the Office of Technology, and \$84,000 of above-base requests for technology upgrades.

Issues:

City Tax Base. The 2001 State legislature made significant changes to the Minnesota property tax system. Foremost was a change moving the general education tax levy from the local property tax to state financing. Changes in class rates and treatment of commercial and industrial properties affect who pays how much property taxes in Saint Paul. Overall, the market values of all classes of property in Saint Paul are showing increases above inflation. Again, the State legislature continued limiting the market value growth of residential property in the entire state. Over 95 percent of the homes in Saint Paul have their market values limited to the state-prescribed 12 percent annual growth. The limitation will phase out over time (12 percent growth limit through 2004 and 15 percent for pay 2005 through 2007) to mitigate large impacts on residential property.

State Aid: State aid is a significant revenue source for the City's general fund. Almost 37 percent of the general fund revenue comes from this source. The future of State paid Local Government Aid (LGA) is a key variable in the City's ability to have resources for basic local government services.

Fund Balance Reserves: The growth in fund balance that the City experienced in the recent past may have peaked in 1998. There was a reduction in fund balance in 1999, a moderate growth in 2000, and a slight decline again in 2001 and 2002. As noted above, use of fund balance to hold down taxes has been a planned management action. Due to the timing of financial reporting, actual fund balance information is always two years behind the budget plan approved in December. Although the Office of Financial Services has put in place a consistent system for estimating future fund balances, those estimates are based on a number of assumptions that may or may not occur.

For the 2000, 2001, and 2002 budgets, the amounts taken from general fund balance to finance the annual budget became larger each year. Discipline and control is continuously required or, at some time in the near future, the City may find itself again faced with the same fiscal problems of the early 1980s and 1990s when the reserves were nearly depleted. To that end, the amount of fund balance applied in the 2003 adopted budget was less than what was planned for use in the 2002 budget, and the amount of fund balance applied in the 2004 adopted budget is less than what was planned for use in the 2003 budget. This reverses the growth trend of 2000 through 2002. The amount of fund balance used as financing for the 2004 adopted budget has been limited to only 3.5 percent of the total budget (city government and independent library agency combined). An affordable and managed use of fund balance to hold down property taxes has been used as a planned management strategy.

Challenges:

Stability of state government finances and aid payments. Despite significant reductions in many spending areas including LGA already enacted, state finances remain precarious, and therefore the City remains at risk for future reductions or instability in annual aid payments. Measures taken at the state level to ensure balanced and predictable revenues and expenditures into the future would make future budget planning and service delivery more predictable for both citizens and city officials. As a complement or alternative, state authorization of broader local authority for deciding how to raise revenue and what to use it for, would help to better insulate city services from state budget fluctuations, and allow for better local decision-making.

Containing cost drivers. The costs the City bears as an employer (wages, benefits, workers' compensation, etc.) compete for service delivery dollars. The City must continue to find ways to prudently and responsibly manage these costs in order to maintain service delivery levels and maintain the integrity of the City's finances.

Collaboration and cooperation. With all Minnesota cities, counties, and school districts sharing fiscal distress with the state government, the need to take advantage of cost savings and/or service improvements through joint efforts with other units of government and with private partners has never been greater. Saint Paul, like all local governments, will be challenged to continually explore new partnerships and ways of doing business in order to continue to ensure that the common customers—the citizens—receive the services they need at a cost they can afford.

General Fund Budget

General Fund Balances (Revenues & Sources and Expenditures & Uses of Funds)					
	2000 Actual	2001 Actual	2002 Actual	2003 Adopted Budget	2004 Adopted Budget
Beginning Balances	43,225,277	45,598,034	43,723,326	41,606,332	35,641,190
Revenues and Sources					
Transfers In	6,253,893	6,394,120	6,127,135	6,855,942	9,461,732
Property Taxes	43,728,131	43,223,400	40,234,966	42,700,851	41,595,440
Other Taxes	1,224,407	1,226,682	1,019,448	992,260	1,032,640
Licenses and Permits	824,253	830,452	825,604	912,420	884,320
Intergovernmental	79,359,462	82,281,292	87,171,712	85,865,503	60,693,655
Fees, Sales and Services	9,107,707	9,997,805	10,894,816	11,602,111	13,321,194
Franchise Fees	16,303,980	16,842,474	17,839,903	17,516,184	17,730,603
Interest Earned:					
On Investments	3,959,219	4,591,495	3,858,336	2,600,000	2,901,500
On Securities Lending Transactions - (a)	8,801,847	2,116,420	1,195,386	75,000	75,000
Inc (Dec) in Fair Market Value of Investments	2,613,431	1,303,250	1,501,900		
Miscellaneous	657,456	742,759	701,956	353,564	944,560
Total	172,833,786	169,550,149	171,371,162	169,473,835	148,640,644
Expenditures and Uses (b)					
Attorney	4,022,978	4,465,420	4,680,207	5,004,436	5,177,975
Citizen Services	3,001,553	3,550,362	3,633,061	3,899,024	1,089,275
Council	1,998,241	2,016,334	2,107,493	2,218,107	2,216,365
Fire and Safety Services	35,666,116	37,470,391	37,735,550	41,143,912	39,833,158
General Government Accounts - Miscellaneous	15,065,026	8,984,461	7,935,087	7,195,012	5,962,766
Health	0	0	0	0	0
Libraries	10,163,541	10,526,113	11,051,469	11,548,871	0
Executive Administration - (c)	7,671,422	7,998,174	8,039,215	8,004,247	7,485,291
Neighborhood Housing and Property Improver	0	0	0	0	2,446,577
Parks & Recreation	23,000,202	24,052,256	24,427,975	22,741,942	21,733,652
Planning and Economic Development	2,127,786	1,318,151	1,097,105	1,233,344	108,483
Police	51,350,931	54,044,836	55,356,250	57,873,482	57,884,518
Public Works	9,616,837	9,856,624	9,723,848	6,258,961	5,184,354
Technology and Management Services - (d)	6,776,879	7,082,689	7,673,403	8,317,639	5,363,083
Fringe Benefits - (e)	0	0	0	0	0
Interest on Securities Lending Transactions - (a)	0	0	0	0	0
Total (d)	170,461,512	171,365,811	173,460,663	175,438,977	154,485,497
Ending Balance					
Reserved	5,535,984	5,533,669	5,613,140	5,900,000	5,900,000
Designated	38,057,799	37,987,718	35,145,424	21,750,000	21,750,000
Undesignated	2,004,251	201,939	847,768	7,991,190	2,146,337
Total (f)	45,598,034	43,723,326	41,606,332	35,641,190	29,796,337

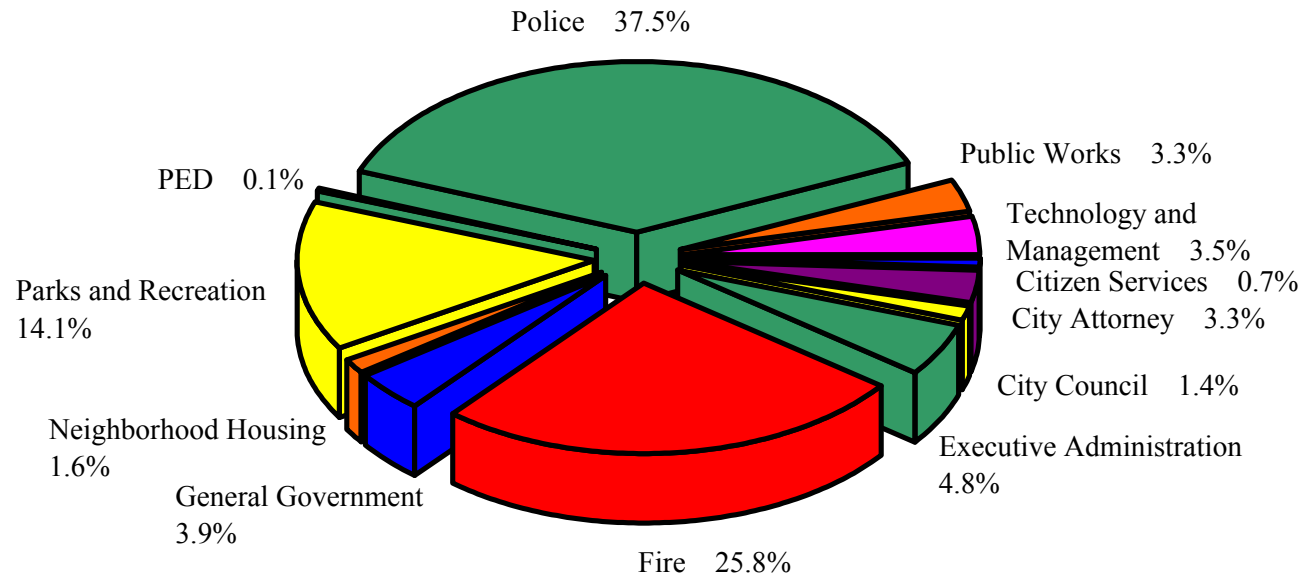
- a) The 2004 adopted financing and spending budgets for Securities Lending Transactions will be amended when the actual amounts are known and available.
- b) For 2000 - 2004, no adjustments have been made to the historic expenditures and uses data to reflect any movement of organizational units among and between departments.
- c) Executive Administration includes: Financial Services, Human Resources, Human Rights, License Inspection and Environmental Protection, and Mayor's Office.
- d) The 2003 and 2004 Budget columns on this page do not include "Advances to Other Funds" and "Petty Cash Advances".
- e) Prior to 1996, fringe benefits were recorded centrally, and after that they were recorded as amounts in the departments.
- f) Based on the 2000 - 2002 experience, the actual ending total balance for 2003 - 2004 will be greater than the listed budget ending total balance.

General Fund Budget

General Fund Spending (By Department)			
Department/Office	2002 Actual	2003 Adopted Budget	2004 Adopted Budget
Affirmative Action	241,412	0	0
Attorney	4,680,207	5,004,436	5,177,975
Citizen Services	3,633,061	3,899,024	1,089,275
Council	2,107,493	2,218,107	2,216,365
Financial Services	1,934,405	1,676,549	1,911,085
Fire and Safety Services	37,735,550	41,143,912	39,833,158
General Government Accounts	7,935,087	7,195,012	5,962,766
StP-RC Health	0	0	0
Housing Information	0	0	0
Human Resources	2,104,722	2,895,086	3,010,636
Human Rights	791,509	782,610	532,632
Labor Relations	372,581	0	0
Libraries	11,051,469	11,548,871	0
License, Inspection, and Environmental Protection	1,267,409	1,267,186	735,975
Mayor	1,327,177	1,382,816	1,294,963
Neighborhood Housing and Property Improvement			2,446,577
Parks and Recreation	24,427,975	22,741,942	21,733,652
Planning and Economic Development	1,097,105	1,233,344	108,483
Police	55,356,250	57,873,482	57,884,518
Public Works	9,723,848	6,258,961	5,184,354
Technology and Management Services	<u>7,673,403</u>	<u>8,317,695</u>	<u>5,363,083</u>
Total	173,460,663	175,439,033	154,485,497

General Fund Budget

2004 Spending by Department



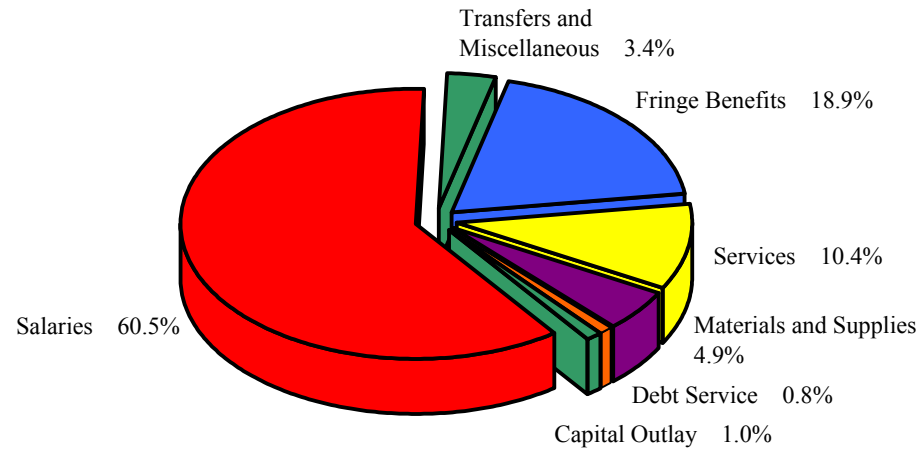
General Fund Budget

General Fund Spending (By Major Object)			
Object	2002 Actual	2003 Adopted Budget	2004 Adopted Budget
Salaries	101,840,118	106,357,940	93,488,168
Services	19,046,317	19,394,174	16,063,112
Materials and Supplies	9,512,271	9,039,351	7,637,294
Fringe Benefits	29,466,843	31,395,440	29,240,234
Transfers and Miscellaneous	10,306,108	7,188,358	5,191,086
Debt Service	1,090,338		1,255,618
Street, Sewer, Bridge Improvement	0	5,329	5,329
Capital Outlay	<u>2,198,668</u>	<u>2,058,441</u>	<u>1,604,656</u>
Total	173,460,663	175,439,033	154,485,497

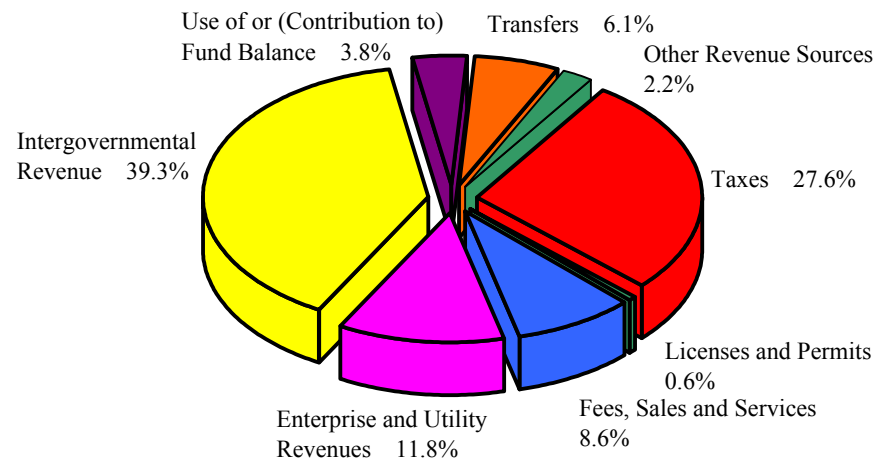
General Fund Financing (Revenue By Source)			
Source	2002 Actual	2003 Adopted Budget	2004 Adopted Budget
Use of or (Contribution to) Fund Balance	0	5,965,198	5,844,853
Transfers	6,127,135	6,855,942	9,461,732
Taxes	41,254,414	43,693,111	42,628,080
Licenses and Permits	825,604	912,420	884,320
Intergovernmental Revenue	87,171,712	85,865,503	60,693,655
Fees, Sales and Services	10,894,816	11,602,111	13,321,194
Enterprise and Utility Revenues	17,839,903	17,980,809	18,262,628
Other Revenue Sources	<u>7,257,578</u>	<u>2,563,939</u>	<u>3,389,035</u>
Total	171,371,162	175,439,033	154,485,497

General Fund Budget

2004 Spending By Major Object



2004 Revenue By Source





Special Funds

Special Funds

2004 Adopted Budget

Highlights:

The City has 52 special funds totaling \$194 million. The total excludes Regional Water Services, the St. Paul Public Libraries Agency, and RiverCentre special funds, which are submitted as separate budgets. Special funds' 2004 budgets are almost the same as the 2003 adopted budget, with most changes reflecting transfer of special funds between departments. Significant changes are indicated as follows:

City Attorney Outside Services (Fund #025): The budget recognizes Local Law Enforcement Block Grant funding transferred from the Police Department to support a .4FTE victim witness advocate. The adopted budget also includes an additional 1.0 FTE attorney. This new position will have a neighborhood focus.

Property Code Enforcement (Fund #040): This budget recognizes that the City will more aggressively enforce the registration of rental properties as required by the legislative code to ensure that one- and two-family non-owner occupied rental properties do not become problem properties. The adopted budget recommends establishing a new budget for a grant received from the Family Housing Fund. This grant will be used to offset the up-front costs of administering the Tenant Remedy Actions program.

Special Projects: General Government Accounts Fund (Fund #050): The budget recognizes approximately \$4.6 million in transfers from special funds for central service costs. This is an increase of approximately \$1.7 million from adopted 2003. The central service fees are used as a source of revenue for the general fund.

Internal Borrowing Fund (Fund #070): A new \$550,000 budget is established to make internal loans, for projects approved by the City Council, to other departments for City projects. Included are District Energy asset conversion, Upper Landing inter-fund loan,

and Highland 18 Golf Course renovation.

Community Development Block Grant (Fund #100): The community development block grant fund remains stable at almost \$12 million. The budget will be reviewed later in 2004 and submitted to the City Council for final adoption.

Contract and Analysis Services (Fund #124): The City Council added \$43,613 to allow Saint Paul to serve as the lead agency for the Collaborative, a joint powers entity consisting of the City of Saint Paul, City of Minneapolis, Hennepin County and Ramsey County.

Cable Communications (Fund #166): The City receives a franchise fee from the cable operator, which is based on five percent of the cable company's gross revenues. The current revenue projection shows a small increase, based on rate increases, new service offerings, and a small decline in overall subscriber numbers. The City receives an annual \$50,000 capital public, educational and governmental (PEG) grant from Comcast; in the past this money has been allocated to St. Paul Neighborhood Network (SPNN), but in 2004 these funds will be used for City video equipment and I-Net needs, which is allowable under the franchise.

Engineering (Fund #205): This fund accounts for the design, survey, construction and administrative functions, and other expenditures for capital improvement projects. In 2004, spending is reduced for the final implementation of the computerized maintenance management system.

Street Repair and Cleaning (Fund #225): The fund manages and supports the right-of-way assessment function by processing public improvement assessments as well as annual operations and maintenance service charges. The second year of a two-year right-of-way assessment program is included in the adopted budget, which

includes a minor change in the rates from what was originally proposed.

Solid Waste & Recycling (Fund #232): Coordination of enforcement of the solid waste ordinance, oversight of contracts related to recycling services with various neighborhood groups, and working with refuse haulers and neighborhoods on refuse collection issues is the focus of this fund. The 2004 adopted budget includes a \$2 per household increase in recycling charges to cover the cost of increased services, which include weekly two-stream curbside collection of recyclables with plastic bottle recycling beginning in January, 2004.

Public Works Admin & Support Services (Fund #255): The City's Real Estate function was transferred from the Office of Technology to Public Works to administer assessments and other right-of-way functions.

Sewer Service Enterprise (Fund #260): Almost three-fourths of the spending for this fund is determined by Metropolitan Council Environmental Services (MCES) charges and debt service for construction programs under federal and state mandates. The program of long-term financing for residential upgrade of sanitary sewer connections continues for 2004. This fund includes the continuation of the repayment of water pollution abatement bonds financed by the general obligation debt service fund in the 1970s and 1980s. Additionally, it includes increases in Storm Sewer System Charges and Sanitary Sewer Rates, providing additional revenue of \$870,258 and \$987,314 respectively, to offset increasing costs. This is the first increase in these rates since 1998.

License and Permit Special Fund (Fund #320): The adopted budget includes the transfer of all zoning functions from the general fund to the special fund. Additionally, it includes various license and permit fee increases in an effort to cover service costs.

Parks and Recreation Special Services Enterprise (Fund #325): While overall spending decreased, spending is included which

reflects the opening, in 2004, of the Highland Golf Course driving range.

Parks and Recreation Special Recreation (Fund #391): Spending increases by \$851,052. This is primarily due to shifting functions that were budgeted in other funds to this fund, so the budget reflects the department's reorganization into recreation service areas.

Municipal Athletic Associations (Fund #394): The City Council added \$241,000 for the Star of the North Summer Games.

Police Services (Fund #400): This fund was created to track the receipt and use of the Police PERA pension assets returned to the City under 1999 State legislation. The 2004 budget reflects year five of a ten-year plan. Costs associated with direct police services, including the compensation for police officers, are planned for in the 2004 budget.

Police Impounding Lot (Fund #435): This fund tracks the fiscal experience related to the towing and reclaiming of all towed or abandoned vehicles left on city streets. Some vehicles are sold at an auction and some are reclaimed by their owners once the owner pays the appropriate fine.

Police Special Projects (Fund #436): This fund increased by about \$600,000 from the 2003 budget, mostly due to proposed changes to the pawn shop and false alarm fees, providing professional peace officer education for the metropolitan area, and providing training to specific audiences to meet the gun-permit carry legislation. The Federal Local Law Enforcement Block Grant (LLEBG) is expected to continue for another cycle into 2004. Over \$1.4 million of police services will be invested in the City's schools.

Firefighting Equipment Trust (Fund #535): The 2004 budget maintains the funding level of 2003. The department's equipment replacement plan typically shows the replacement of one major piece of equipment every other year.

Special Fund Budgets

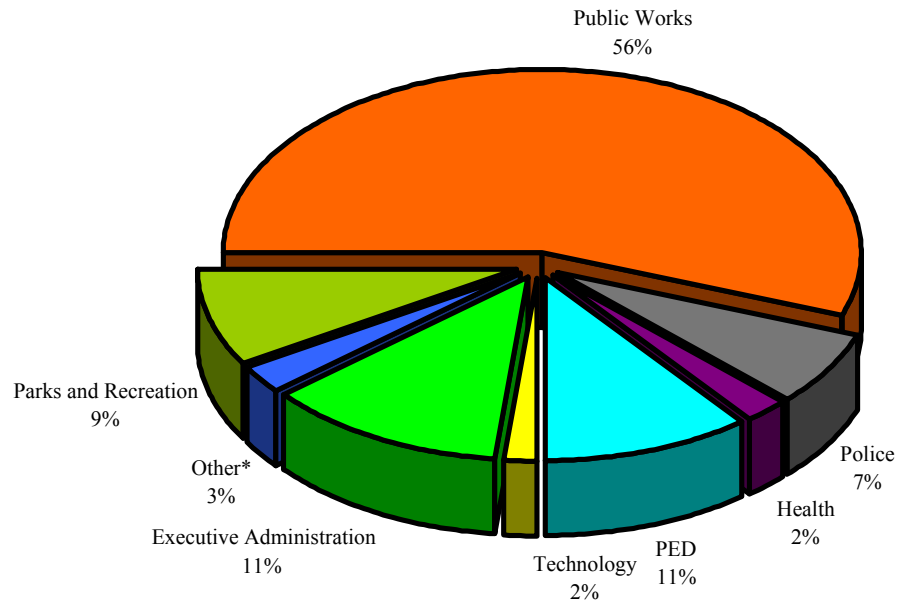
Special Fund Spending (By Department)			
Department	2002 Actual	2003 Adopted Budget	2004 Adopted Budget
Attorney	794,986	794,553	909,746
Citizen Services	575,677	958,572	0
Council	88,897	65,434	65,161
Financial Services Office (a, b)	13,847,807	12,344,175	13,149,806
Fire and Safety Services	3,238,331	3,060,207	3,088,467
General Government Accounts	129,322	0	0
StP-RC Health	4,114,552	4,207,390	4,170,953
Human Rights	68,371	47,809	47,614
Libraries (c)	1,791,018	1,241,561	0
License, Inspection, and Environmental Protection	8,994,389	9,626,162	10,002,816
Mayor's Office	37,995	20,000	369,855
Neighborhood Housing & Property Improvement	0	0	748,377
Parks and Recreation	12,599,567	15,879,050	16,623,377
Planning and Economic Development (b)	24,682,633	21,017,592	20,573,707
Police	10,029,297	12,254,634	12,931,208
Public Works (d)	82,006,442	107,130,911	108,030,868
Office of Technology (a,d)	<u>4,927,419</u>	<u>5,484,087</u>	<u>3,591,886</u>
Total	167,926,703	194,132,137	194,303,841

Special fund budgets are designed to track revenues and expenditures for specific designated purposes. With some exceptions, special fund budgets are not supported by property taxes. Rather, special fund spending is supported by user fees, assessments, and grants, which are generally restricted in some way. The restrictions require accounting in separate funds. Saint Paul has 52 special funds, including operating funds, project funds, debt service funds, and trust funds.

- (a) Contract and Analysis Services moved from Office of Technology to Financial Services for 2004.
- (b) RiverPrint moved from Planning and Economic Development to Financial Services.
- (c) Saint Paul Libraries becomes their own agency (The Public Library Agency) effective in 2004 and will no longer be a part of the City of Saint Paul's budget.
- (d) Real Estate moved from Office of Technology to Public Works for 2004.

Special Fund Budgets

2004 Adopted Budget



* Other includes City Attorney, City Council, Neighborhood Housing and Property Improvement, and Fire

Special Fund Budgets

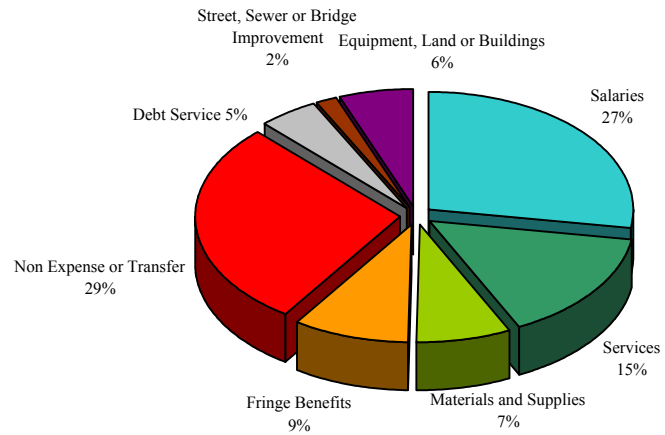
Special Fund Spending (By Major Object)			
Object	2002 Actual	2003 Adopted Budget	2004 Adopted Budget
Salaries	45,547,688	53,196,865	53,412,901
Services	24,456,632	26,730,598	29,802,741
Materials and Supplies	12,728,814	15,872,147	14,559,429
Fringe Benefits	14,961,520	16,605,666	17,625,420
Transfers and Miscellaneous	55,700,762	62,300,051	55,045,773
Debt Service	9,998,949	9,627,129	9,300,282
Street, Sewer or Bridge Improvement	476,198	3,146,958	3,400,996
Capital Outlay	4,056,140	6,652,723	11,156,299
Total	167,926,703	194,132,137	194,303,841

Special Fund Financing (Revenue By Source)			
Source	2002 Actual	2003 Adopted Budget	2004 Adopted Budget
Use of Fund Balance		19,354,382	12,176,841
Transfers	9,568,398	8,687,691	7,420,193
Hotel and Motel Taxes	1,771,214	1,840,600	1,616,915
License and Permits	8,617,310	9,555,404	9,981,680
Intergovernmental Revenue	14,383,247	27,455,331	22,689,558
Fees, Sales and Services	89,833,701	93,094,448	100,724,218
Enterprise and Franchise Revenue	1,713,212	9,564,746	10,685,405
Assessments and Other Revenue Sources	39,095,658	24,579,535	29,009,031
Total	164,982,740	194,132,137	194,303,841

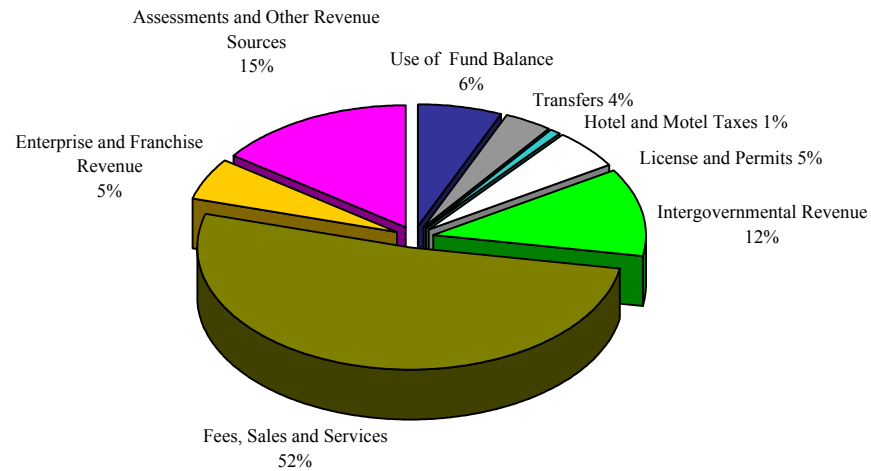
The difference between 2002 spending and financing may be due to use of/contribution to fund balance or accounting reporting requirements. The city is required to report actual annual operating performance in accordance with financial accounting principles. Accounting treatments can cause differences between budget and actual. The following are examples of items that may be treated differently, particularly for proprietary funds: capital project construction, equipment purchases, depreciation and principal payments on debt. Furthermore, the “financing” used to support specific spending or programs may be cash reserves or contributions and not actual revenues of that year.

Special Fund Budgets

2004 Spending By Major Object



2004 Revenue By Source





Debt Service

General Obligation Debt Service Funds Budget

Debt Service Fund Spending (By Major Object)			
Object	2002 Actual Budget	2003 Adopted Budget	2004 Adopted Budget
Salaries	134,439	147,606	147,582
Services	18,470	80,374	80,374
Fringe Benefits	41,409	44,165	47,766
Other	947,471	286,665	289,153
Debt Service	35,422,927	55,361,165	55,195,966
Equipment, Land, and Buildings	<u>0</u>	<u>0</u>	<u>0</u>
Total	36,564,716	55,919,975	55,760,841

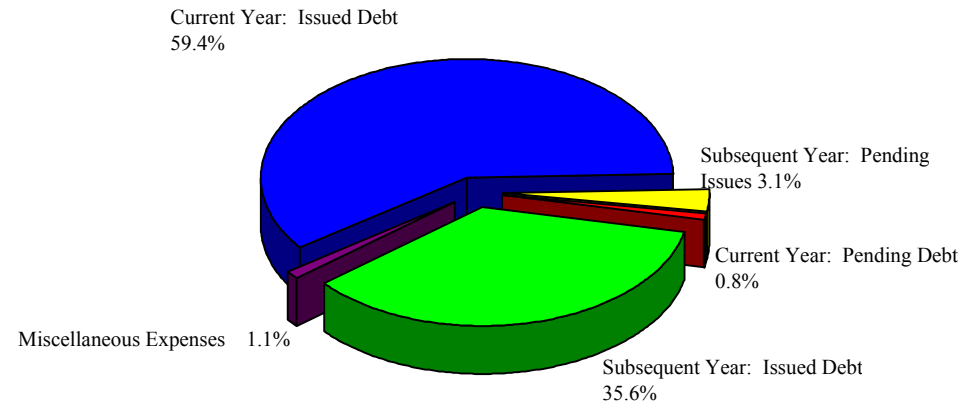
Debt Service Fund Spending (Revenue By Source)			
Source	2002 Actual Budget	2003 Adopted Budget	2004 Adopted Budget
Use of (Contribution to) Fund Balance	731,046	21,951,148	26,312,277
Transfers	3,853,600	5,294,757	7,889,301
Taxes	17,081,597	18,636,627	10,236,665
Licenses and Permits	0	0	0
Intergovernmental Revenue	1,378,993	26,710	4,758
Fees, Sales and Services	0	0	0
Enterprise and Utility Revenue	817,542	858,000	910,000
Other Revenue Sources	<u>13,787,060</u>	<u>9,152,733</u>	<u>10,407,840</u>
Total	37,649,838	55,919,975	55,760,841

The city's general debt service budget provides for the principal and interest payments on its general obligation bond issues. The budget consists of two sets of two appropriations: 1) an amount needed to meet the budget year debt service obligations, and 2) an amount needed to meet the obligations of the first half of the following year. Therefore, the amount appropriated for general debt service exceeds the amount actually spent in the budget year. This additional amount remains in fund balance to use as a financing source for the subsequent year's debt service payments. While complicated, this budget structure solves a cash flow problem for the city. The city receives state aids and property taxes mid-year and at the end of the year. If the city did not budget for subsequent year debt service payments, it would lack the cash to make the debt service payments due before the city receives its major cash infusions each year.

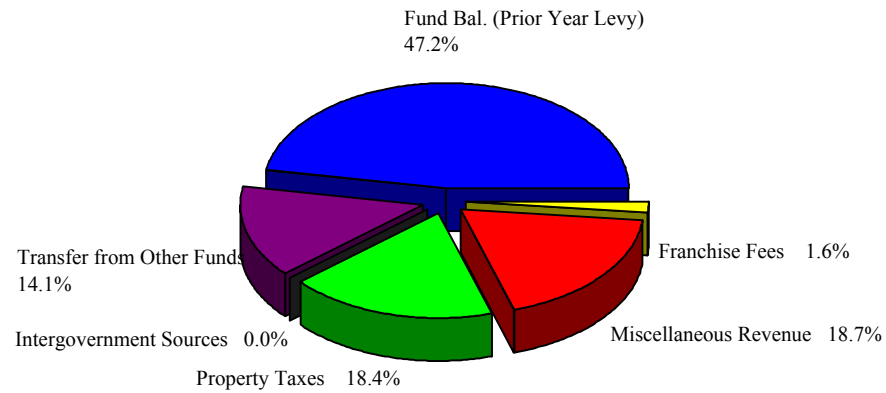
The total 2004 debt service budget is \$55,760,841. \$34,171,999 is 2004 spending, and \$21,588,842 is 2005 (subsequent year) spending.

General Obligation Debt Service Funds

2004 Spending by Major Category



2004 Financing by Major Source



General Obligation Debt

Allocation Of Debt Support as of December 31, 2003								
	Property Tax Levy	Water and Sewer Charges	Assessments	Tax Increments	Parking Revenue	Other Sources	Self Supporting Total	Total
Capital Improvements	99,815,000					4,150,000 **	4,150,000	103,965,000
Urban Renewal	135,000							135,000
Urban Renewal Refunding								0
Street Improvements			22,915,000				22,915,000	22,915,000
Tax Increment:								
Riverfront Development				9,395,000			9,395,000	9,395,000
Midway Marketplace				5,460,000			5,460,000	5,460,000
Block 39 Project				16,940,000	21,255,000		38,195,000	38,195,000
Water Pollution Abatement		1,270,000					1,270,000	1,270,000
Sewer Bonds		3,865,000					3,865,000	3,865,000
Sewer Loan (PFA*)		17,563,718					17,563,718	17,563,718
Water Loan (PFA*)		3,139,545					3,139,545	3,139,545
TOTAL	99,950,000	25,838,263	22,915,000	31,795,000	21,255,000	4,150,000	105,953,263	205,903,263
Percent of Total	48.5%	12.5%	11.1%	15.4%	10.3%	2.0%	51.5%	100.0%

* PFA is the Public Facilities Authority.

** Franchise Fees.

General Obligation Debt Service

Mission Statement

To prepare financing plans and pay the annual principal and interest on the city's general obligation debt.

Strategic Plan Accomplishments and 2004 Priorities

Major Accomplishments

- The City became the first in the nation to have their 2003 Sewer Utility bonds rated at the AAA credit rating by Standard & Poor's.
- Standard and Poor's reaffirmed the city's highest possible AAA credit rating in 2003.
- The city sold \$22.235 million in general obligation capital improvement bonds, of which \$3.235 million was used to refund the 1995 capital improvement bonds, at a record low 2.99% interest rate.

2004 Priorities

- Maintain or improve the Aa2 (Moody's) and AAA (Standard & Poor's) ratings assigned to the city's general obligation debt. Strengthen the organizational understanding of the best uses of the general obligation bonding authority.
- Provide Alternate Financing: Provide recommendations for the alternative financing plans for both current and future bond issues. Alternatives to the use of tax levy as financing for the general obligation debt of the city will continue to be explored and recommended where prudent. Continue to review proposals in search for the solutions that serve the city in the long-term, ever mindful of the short-term needs.

Debt Service

DEPARTMENT/OFFICE DIRECTOR: MATT SMITH

	2001 2ND PRIOR EXP & ENC *	2002 LAST YEAR EXP & ENC *	2003 ADOPTED BUDGET	2004 MAYOR'S PROPOSED	2004 COUNCIL ADOPTED	ADOPTED MAYOR'S PROPOSED	CHANGE FROM 2003 ADOPTED
<hr/>							
<u>SPENDING APPROPRIATIONS</u>							
960 GENERAL DEBT SERVICE FUND	23,229,108	23,597,134	43,314,186	42,693,039	41,971,532	721,507-	1,342,654-
961 CITY REV BONDS, LONG TERM DEBT	5,954,637	6,579,758	6,869,753	7,020,202	7,020,202		150,449
963 G.O. SPEC ASSM DEBT SERV FUND	2,932,800	5,983,446	5,419,290	6,056,041	6,056,041		636,751
967 CITY REVENUE NOTES DEBT SERVICE	316,746	404,378	316,746	713,066	713,066		396,320
	<hr/>						
TOTAL SPENDING BY UNIT	32,433,291	36,564,716	55,919,975	56,482,348	55,760,841	721,507-	159,134-
	<hr/>						
<u>SPENDING BY MAJOR OBJECT</u>							
SALARIES	122,862	134,439	147,606	147,582	147,582		24-
EMPLOYER FRINGE BENEFITS	36,275	41,409	44,165	47,766	47,766		3,601
SERVICES	1,845	18,470	80,374	80,374	80,374		
MATERIALS AND SUPPLIES	8,598	12,442	6,665	6,665	6,665		
MISC TRANSFER CONTINGENCY ETC	285,053	310,000	280,000	282,488	282,488		2,488
DEBT	31,978,658	35,422,927	55,361,165	55,917,473	55,195,966	721,507-	165,199-
STREET SEWER BRIDGE ETC IMPROVEMENT		625,029					
EQUIPMENT LAND AND BUILDINGS							
	<hr/>						
TOTAL SPENDING BY OBJECT	32,433,291	36,564,716	55,919,975	56,482,348	55,760,841	721,507-	159,134-
	<hr/>						
		12.7 %	52.9 %	1.0 %	1.3-%	1.3-%	.3-%
<hr/>							
<u>FINANCING BY MAJOR OBJECT</u>							
<u>SPECIAL FUNDS</u>							
TAXES	19,528,506	17,899,139	19,494,627	11,596,665	11,146,665	450,000-	8,347,962-
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE	1,868	1,378,993	26,710	4,758	4,758		21,952-
FEES, SALES AND SERVICES	10	15,000					
ENTERPRISE AND UTILITY REVENUE	114,660	114,660	130,000	130,000	130,000		
MISCELLANEOUS REVENUE	12,740,903	13,657,400	9,022,733	10,277,840	10,277,840		1,255,107
TRANSFERS	4,061,719	4,584,646	5,294,757	8,160,808	7,889,301	271,507-	2,594,544
FUND BALANCES			21,951,148	26,312,277	26,312,277		4,361,129
	<hr/>						
TOTAL FINANCING BY OBJECT	36,447,666	37,649,838	55,919,975	56,482,348	55,760,841	721,507-	159,134-
	<hr/>						
		3.3 %	48.5 %	1.0 %	1.3-%	1.3-%	.3-%

Budget Explanation

Major Changes in Spending and Financing

Creating the 2004 Budget Base

The 2003 adopted budget was adjusted to set the base for the year 2004. The budget was increased for the anticipated growth in 2004 for salaries and fringes for staff related to the bargaining process. Employee benefit cost increases were projected and then considered in the process that distributes those total costs to the City departments' budget through the budget system using the "fringe rate" process.

Mayor Recommendations

- The spending in fund 960, general debt service, decreased by \$621,147. The budget proposes issuing \$19,000,000 capital improvement budget (CIB) bonds in 2004. The spending plan as proposed has not changed significantly over the adopted 2003 budget. The budget assumes an estimated interest cost of 4% for the bonds to be sold in 2004.

The financing plan has changed significantly. Most of the change is due to recognizing that the new Library Agency will pay for the annual debt service of library projects and the use of sales tax revenues to fund debt service. This allows some tax levy authority to shift to the General Fund to help offset the cutbacks in the State's 2004 Local Government Aid funding. The 2001 and 2002 actuals reflect only the amount actually spent and do not reflect the subsequent year debt that is budgeted in 2003 and 2004.

For funds 960 and 963, the budget includes appropriations for both the amount needed to meet the budget year debt service obligations, and an amount needed to meet the obligations of the first half of the following year (subsequent year). Therefore, the amount appropriated exceeds the amount actually spent in the budget year. This additional amount remains in fund balance to use as a financing source for the subsequent year's debt service payments. While complicated, this budget structure solves a cash flow problem for the city. If this practice was not employed, the city would lack the cash to make the debt service payments due before it receives its major cash infusions each year.

- Spending for fund 961, city revenue bonds, long-term debt, increased by \$150,449. This fund is financed with facility lease payments and Minnesota Wild hockey team revenues (payments in lieu of taxes). These bonds are backed by sales tax revenues. The \$150,449 increase in spending is financed by an increase of \$21,754 in payments in lieu of taxes (PILOT), and by \$128,675 of use of fund balance built up from previous year's PILOT payments and lease payments.

- Spending for fund 963, general obligation special assessment debt service, increased by \$636,751 compared to 2003. This change is due to issuing larger bond issues over the years and the 2003 bond issue requiring a large first year payment and subsequent year budget. The 2001 and 2002 actuals reflect only the amount actually spent and do not reflect the subsequent year debt that is budgeted in 2003 and 2004.
- Spending for fund 967, city revenue notes debt service, is for a bank note for the purchase of property for the Science Museum, paid by parking revenues and cultural sales tax (STAR) monies. For 2004, the people connection debt service budget must be established in order to make the appropriate lease payment to Ramsey County. The people connection is funded by contributions from the Convention & Visitors Bureau, the RiverCentre Authority and Hotel Motel tax receipts.

City Council Actions

The city council adopted the Police department budget and recommendations as proposed by the mayor, and made these further changes:

- reduce the transfer from the Public Library Agency due to the issuance of library bonds verse having the City issue debt on their behalf, and
- shift part of the property tax levy to the City's General Fund to recognize that the City will issue the 2004 capital improvements bonds with annual payments in September instead of the traditional March payment.

Property Taxes

Factors Affecting Your City Property Tax Bill

The four most important factors affecting how much a property owner pays in city property taxes are:

- amount of city spending;
- availability of revenues other than property taxes;
- size of the tax base; and
- composition of the tax base

The first two factors, spending and other revenues, affect the total tax dollars that must be levied. The remaining two factors determine the tax levy's distribution among all property owners.

City Spending:

The first factor affecting city property tax levels is city spending. It is the only factor that the mayor and city council directly control. Saint Paul must maintain a balanced budget, so all proposed spending must be covered with a financing source. If city spending were the only factor affecting taxes, tax rates would mirror spending exactly.

Other Revenues:

City reliance on property taxes depends on other revenues available to the city. The other dominant revenues are state aids, such as Local Government Aid (LGA), utility fees collected for the use of the city streets and by-ways, transfers from other city funds, collections of motor vehicle-related fines, and interest earnings from cash balances. For 2004, the State substantially reduced the City's LGA: from \$76.1 million to \$56.5 million. LGA is the City's largest general fund revenue source and an important factor in Saint Paul's ability to control property taxes. LGA payments are scheduled to be reduced further in future years, putting more pressure on the City's General Fund budget.

Size of the Property Tax Base:

The tax base size can be measured as the sum of the market value of all taxable properties. The absolute size of and changes in the tax base are attributable to many factors, the most important of which are: commercial/industrial lease values, commercial/industrial occupancy rates, and the strength of the residential market. The larger the base, the broader the distribution of the tax burden and the lower the tax rate required.

Composition of the Tax Base:

The composition of the base affects the relative share of the tax levy. The taxable property value, or tax capacity, is not the same on different classes of property. Minnesota's class rate system allocates differing shares of tax burden based on the use of the property. Apartments, residential homes, and commercial/industrial properties have different taxable value (tax capacity). One dollar of commercial/industrial property has a greater tax capacity than one dollar of residential property, due to the class rate structure.

The 2001 Legislature made significant adjustments to the class rates for payable 2002 taxes and subsequent years, reducing the class rates for large businesses, rental residential and homes valued over \$75,000. The payable 204 class rates are compared to the payable 2001 rates below.

Property Class Rates **

	Pay 2001	Pay 2004
Homestead Residential \$0-\$76,000 EMV	1.00%	1.00%
Homestead Residential \$76,000-\$500,000 EMV	1.65%	1.00%
Homestead Residential over \$500,000 EMV	1.65%	1.25%
Non-Homestead Resid. single unit up to \$500,000	1.20%	1.00%
Non-Homestead Resid. single unit over \$500,000	1.65%	1.25%
Non-Homestead Residential 2 or 3 units	1.65%	1.25%
Non-Homestead Residential 4 or more units	2.40%	1.25%
Commercial/Industrial < \$150,000	2.40%	1.50%
Commercial/Industrial > \$150,000	3.40%	2.00%

EMV: estimate market value

** Class rate percentages are applied to the Estimated Market Values of property to reach Taxable Values. The tax rate (formerly mill rate) is applied against the taxable values to determine the gross payable tax.

If the total value in one property class grows faster than the other classes, those property owners' tax share increases.

2004 Adopted Budget

From 1994 to 2003, the City did not raise its property tax levy. The City is collecting fewer dollars in both nominal and real terms today than 1994: 1994's \$66.7 million levy equals \$83 million today after adjusting for inflation. The 2004 adopted City levy is \$63.92 million, a \$84,000 increase over 2003's \$63.84 million levy. However, the Port Authority's separate debt service levy is decreasing by an equal amount due to debt issue refinancing, so the net effect on taxpayers is zero.

Of the adopted \$63.92 million levy, \$42.42 million is for city operations, \$10.3 million is for debt service, and \$1.4 million is levied on the Port Authority's behalf. The remaining \$9.8 million levy is for the new St. Paul Public Library Agency's operations and debt service. This levy reflects a shift of levy from City operations and debt service to the independent Library Agency rather than an increase in overall property taxes.

The 2004 debt service portion of the levy reflects a major change from 2003. The City and Library Agency's 2004 debt service levies are \$5.5 million less than 2003's \$18.8 million debt service levy. This reduction reflects the use of city sales tax receipts, or STAR revenues, for debt service so that more levy can support city operations, replacing lost Local Government Aid.

Although the City's property tax levy does not increase, the levy's distribution will change. The 2001 Legislature's law changes are gradually phasing-out residential properties' limited market value protection, which keep market value growth under a certain percentage. Residential owners will pay a greater share of 2004's total property tax levy than 2003's.

Tax Dollars and the Services They Buy

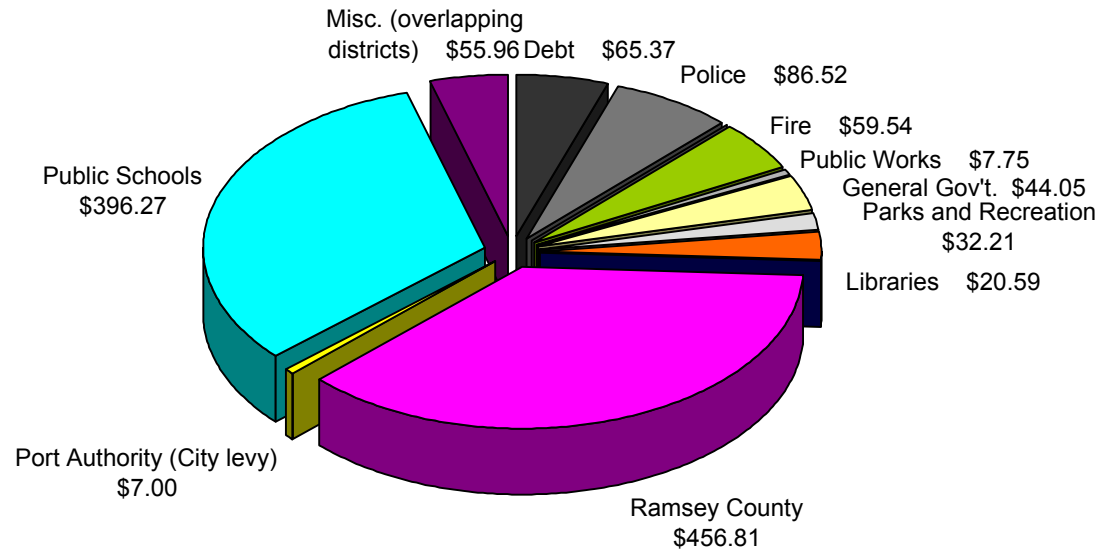
Look what less than a dollar a day can buy! Any citizen who pays property taxes wonders where the money goes. This pie chart shows how your tax dollars are at work in the community. Consider the property taxes on an average residential property (\$115,000) in Saint Paul. In 2004, the owner will pay about \$1,233 in property taxes. Of that amount, \$324, or 26%, will go to the City of Saint Paul. That's less than a dollar a day.

Police and Fire services receive two of the larger portions of your City property tax dollar. For \$87 annually, property taxpayers of an average-priced home are provided with 24-hour law enforcement protection. For \$60 a year, they receive around-the-clock fire and medical response. In addition to their immediate response services, both departments offer invaluable education and prevention programs.

\$65 covers capital debt, the City's annual cost of repaying bonds that finance street construction, new libraries, recreation centers, children's play equipment and other capital improvements made over the last ten years. \$32 goes to Parks and Recreation to provide a wide array of neighborhood recreational activities and to maintain 42 recreation centers and 4,000+ acres of city park land. For \$21, the Saint Paul Public Libraries offer taxpayers access to millions of books through the Metropolitan Library Service Association (MLSA) lending system and other library resources at their neighborhood libraries.

Estimated 2004 Saint Paul Property Taxes

Truth in Taxation Rates Applied to a Typical Home Valued at \$115,000



City	26.3%
County	37.1%
Schools	32.1%
Other	4.5%
	<hr/>
	100%



Department Summaries



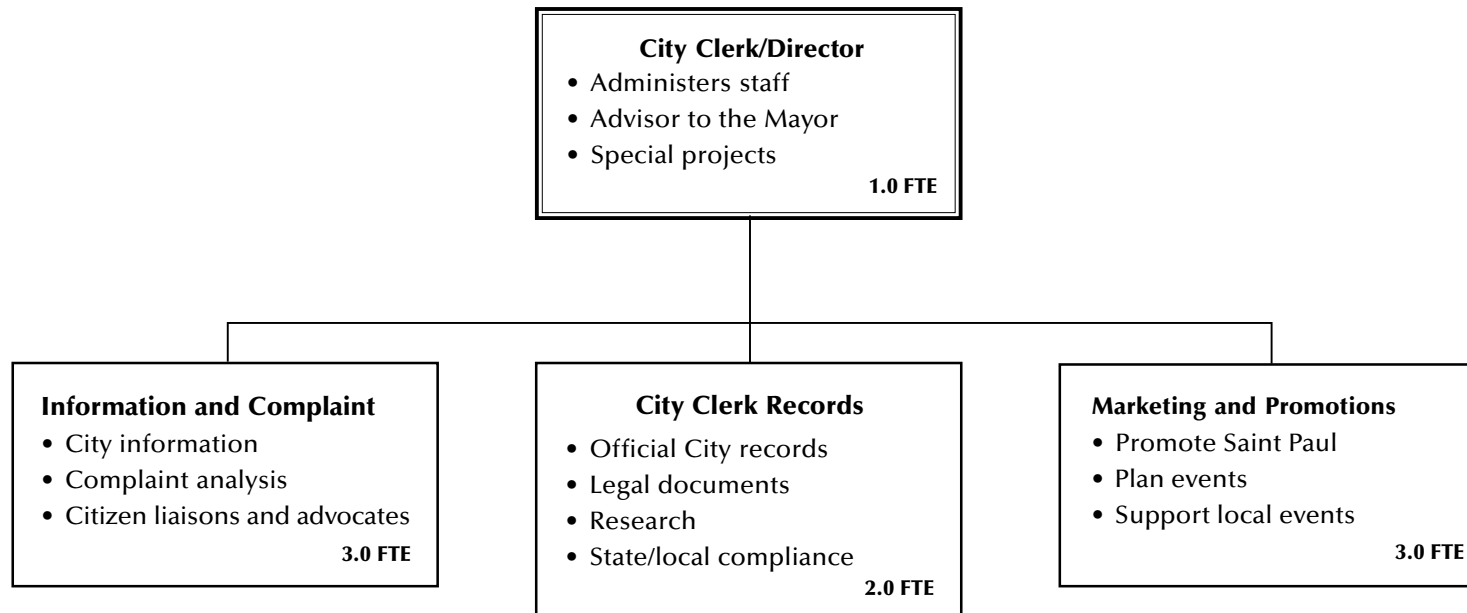
Citizen Service Office

Mission Statement

The Citizen Service Office consists of three divisions - City Clerk Records, Marketing and Promotions, and Information and Complaint. Together, the employees of the Citizen Service Office maintain Saint Paul's official recorded history, promote its vitality and diversity, and help resolve citizen issues related to city services by serving as advocates and liaisons.

Citizen Service Office

(Total 9.0 FTEs)



Strategic Plan Accomplishments and 2004 Priorities

Major Accomplishments

City Clerk Records and Information & Complaint Divisions

- Planning committees consisting of state association members are meeting for the 2005 International Institute of Municipal Clerks (IIMC) Conference and fund-raising has started.
- The Office has maintained a high level of service while responding to approximately 1300 requests a month.
- The City translator list was updated. City employees who are fluent in a second language volunteer to be on a contact list for City departments.
- Successful move of the control and responsibility of the parking placards program to the Police Department. The Police Department will be able to enforce the regulations in place for the parking program.
- Take your child to work day was successfully completed. City employees brought their children to the workplace where the children were able to learn about not only their parent's job but also about other positions within the City.
- The annual Red Kettle Campaign for the Salvation Army was again administered through the Citizen Service Office.

Marketing and Promotions Division

- Expand access for organizations to private sector promotional and sponsorship opportunities.
- Develop stronger, coordinated partnerships that will leverage public and private dollars
- Encouraged additional private sector promoters to see Saint Paul as a venue for activities in the City.
- Expanding our film presence through public and private investment.
- Collaborated with the City Council and the Mayor to create a brand identity for Saint Paul, and ensure a strong level of community support for these efforts.

2004 Priorities

City Clerk Records and Information & Complaint Divisions

- Continue planning and fund-raising for the 2005 International Institute of Municipal Clerks Conference. This week long event will bring over 1200 delegates and guests from throughout the United States and 25 member countries to Saint Paul for an economic impact of an estimated \$3 million.
- Maintain the levels of current service to the citizens of Saint Paul. This has been a challenging task with the current financial situation of the office, but the Citizen Service Office is committed to providing citizens with the best service possible. Some methods for accomplishing this will include:

1. Increase the visibility of the 266-8989 number as well as the City website as sources of information and help.
2. Improve bi-lingual services within the office.
3. Bring all city departments online for better utilization of the Amanda system
4. Meet with Amanda users to determine goals for the future.
5. Work with Ramsey County to provide elections in a more cost effective manner without sparing the integrity of the process.
6. Clarify the relationship of the divisions within the Citizen Service Office which include Marketing, NHPI, Information and Complaint, and City Clerk.

Marketing and Promotions Division

- Expand access to private sector promotional and sponsorship opportunities.
- Develop stronger, coordinated partnerships
- Expand our presence in the film industry.
- Encourage private sector promoters to see Saint Paul as a venue for activities.

Citizen Services Office

DEPARTMENT/OFFICE DIRECTOR: DON LUNA

	2001 2ND PRIOR EXP & ENC *	2002 LAST YEAR EXP & ENC *	2003 ADOPTED BUDGET	2004 MAYOR'S PROPOSED	2004 COUNCIL ADOPTED	ADOPTED CHANGE FROM MAYOR'S 2003 PROPOSED ADOPTED
<hr/>						
<u>SPENDING APPROPRIATIONS</u>						
001 GENERAL FUND	1,132,685	1,156,937	1,318,322	1,089,275	1,089,275	229,047-
TOTAL SPENDING BY UNIT	1,132,685	1,156,937	1,318,322	1,089,275	1,089,275	229,047-
<hr/>						
<u>SPENDING BY MAJOR OBJECT</u>						
SALARIES	519,419	530,608	627,939	489,890	489,890	138,049-
EMPLOYER FRINGE BENEFITS	139,049	162,591	187,462	156,702	156,702	30,760-
SERVICES	438,405	355,522	458,604	403,485	403,485	55,119-
MATERIALS AND SUPPLIES	23,243	22,941	17,683	16,731	16,731	952-
MISC TRANSFER CONTINGENCY ETC	375	85,275	500	900	900	400
DEBT						
STREET SEWER BRIDGE ETC IMPROVEMENT			2,984	2,984	2,984	
EQUIPMENT LAND AND BUILDINGS	12,194		23,150	18,583	18,583	4,567-
TOTAL SPENDING BY OBJECT	1,132,685	1,156,937	1,318,322	1,089,275	1,089,275	229,047-
<hr/>						
		2.1 %	13.9 %	17.4 %		17.4 %
<u>FINANCING BY MAJOR OBJECT</u>						
GENERAL FUND	1,132,685	1,156,937	1,318,322	1,089,275	1,089,275	229,047-
SPECIAL FUNDS						
TAXES						
LICENSES AND PERMITS						
INTERGOVERNMENTAL REVENUE						
FEES, SALES AND SERVICES						
ENTERPRISE AND UTILITY REVENUE						
MISCELLANEOUS REVENUE						
TRANSFERS						
FUND BALANCES						
TOTAL FINANCING BY OBJECT	1,132,685	1,156,937	1,318,322	1,089,275	1,089,275	229,047-
<hr/>						
		2.1 %	13.9 %	17.4 %		17.4 %

Budget Explanation

Creating the 2004 Budget Base

The permanent budget adjustments made in early 2003 to cope with cutbacks in the State's local government aid payments for 2003 and beyond were annualized for 2004 and reflected in the base budget. In particular, the base budget for each department reflects the "round 1" mid-year budget adjustments as adopted by the City Council, and the "round 2" adjustments as proposed by the Mayor and awaiting council action at the time the 2004 budget planning process began. The budget was increased for the anticipated growth in 2004 for salaries and fringes for staff related to the bargaining process. Employee benefit cost increases were projected and then considered in the process that distributes those total costs to the city departments' budgets through the budget system using the "fringe rate" process. Finally, a spending cap was imposed on the department's adjusted general fund budget.

Mayor's Recommendations

Citizen Services' proposed general fund budget for 2004 is \$1,089,275 which is down \$229,047 from the adopted 2003 budget of \$1,318,322.

The major change to spending is the reduction the office's share of city-wide budget savings related to the continuation of the hiring freeze into 2004, and a slight cutback in support costs. In addition to the above spending recommendations, the tort liability costs are shifted from the General Government Accounts to the department budgets (a zero net change city-wide) in order to more accurately reflect the department's true costs and have the departments help manage tort costs. Budgets for costs for the City's property related system (AMANDA) have also been shifted between Citizen Services and the Office of Technology's Information Services unit.

City Council Actions

The city council adopted the Citizen Services Office budget and recommendations as proposed by the mayor.



City Attorney

Mission Statement

The mission of the Office of the Saint Paul City Attorney is to fulfill its duty to represent the City in its legal affairs with integrity, professionalism, and collegiality.

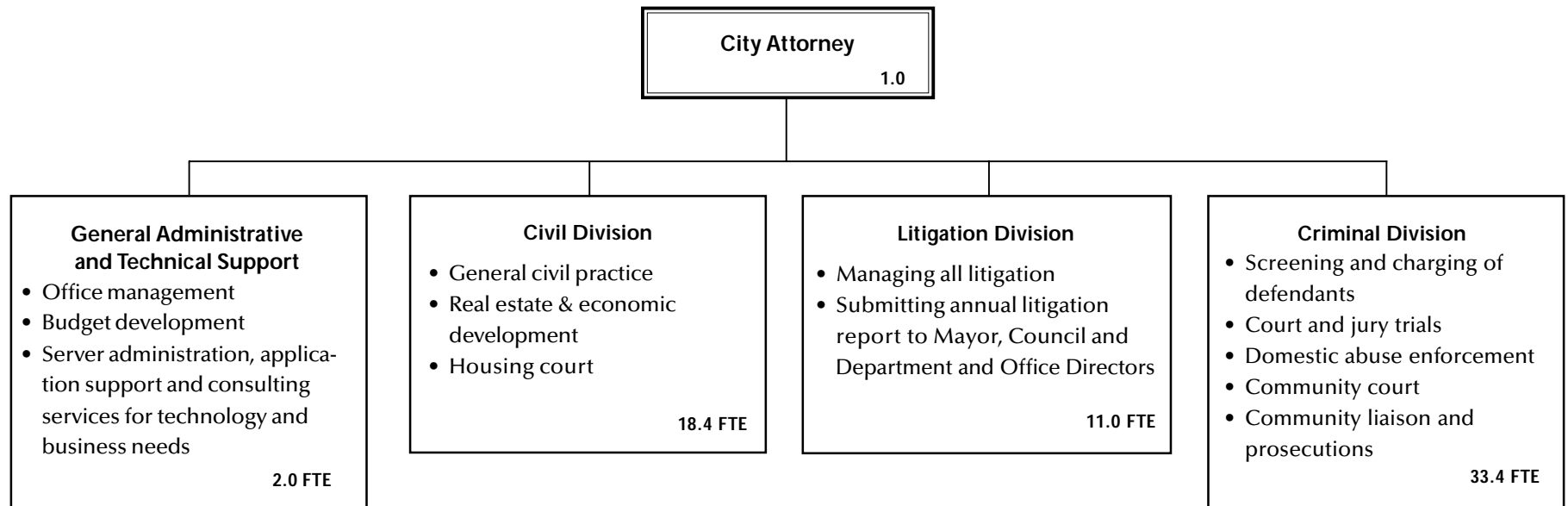
Integrity means that we are loyal to the interests of the City and the laws under which it functions.

Professionalism means that we are thorough and creative in representing the interests of the City, respectful of the public process in which we function, and courteous to all those with whom we interact.

Collegiality means working together, and with the elected and appointed officials of the City, to continuously seek improvements to the quality of legal services and the efficiency with which they are provided.

City Attorney's Office

(Total 65.8 FTEs)



Strategic Plan Accomplishments and 2004 Priorities

Major Accomplishments

- The Civil Division continues to provide outstanding legal services to the Mayor, City Council, and City departments on housing, development, licensing, zoning, labor, and other governmental operations.
- The Criminal Division staff handled 18,842 cases in 2002 and is expecting to handle approximately 19,807 in 2003.
- The Criminal Division staff from the Domestic Abuse Unit have worked successfully with Saint Paul Intervention Project to encourage victim cooperation in prosecuting domestic abuse cases.
- Regular meetings have been held with the Courts, the Ramsey County Attorney, and law enforcement personnel to improve cooperation among these agencies when dealing with criminal cases.
- Because of an enhanced continuance for dismissal program in the criminal division, the CAO will generate additional revenues to support its current function and add revenues to the general fund.
- Because of the Mayor's commitment to the Community Prosecutor and Community Court Programs, the CAO has continued to operate these programs notwithstanding the lapsing of state grant funding for these programs.
- The CAO aggressively attacked a 90 day back log on cases in Community Court and brought it current. Today, defendants are given a court date when the citation is issued, usually between two to three weeks out which is the shortest time the District Court can process them.
- Notwithstanding the Community Prosecutor's full-time commitment to his assignment in the trial unit, he continues to meet with district councils and other community groups, including the Mayor's quality-of-life meetings, in the evening hours.
- Assisted the Mayor's Office and City Council on a project to increase the parking fines. This project resulted in additional revenue to the City's general fund.

2004 Priorities

- Continue providing outstanding legal services to the Mayor, the City Council, and City departments on housing, development, licensing, zoning, labor, and other governmental operations.
- Continue training prosecutors to improve effectiveness and efficiency through inter-office opportunities with prosecutors from other cities.
- Revise office policies dealing with charging decisions to ensure efficient and uniform screening of cases.
- Ensure that all victims and witnesses are contacted and informed of their rights.
- Work with Traffic Violations Bureau to improve prosecution of traffic violators.
- Work with Ramsey County to strengthen the Community Prosecution program and find creative ways to solve livability crimes.
- Strengthen the Joint Prosecution Unit to help break the cycle of violence in families.
- Work toward diversifying the office to reflect the community we serve.
- Review all litigation resolved during 2002 and prepare close-out memos to departments with suggestions for reducing the likelihood of similar suits.
- Work diligently to keep the Community Court cases current and if additional resources become available, expand the Community Court Prosecutor function to permit her to meet with her constituents outside of court regarding quality-of-life issues.
- If additional resources become available, work to expand the Community Prosecutor's role beyond Frogtown and Eastside, to the Westside and North End.

City Attorney

DEPARTMENT/OFFICE DIRECTOR: MANUEL J. CERVANTES

	2001 2ND PRIOR EXP & ENC *	2002 LAST YEAR EXP & ENC *	2003 ADOPTED BUDGET	2004 MAYOR'S PROPOSED	2004 COUNCIL ADOPTED	ADOPTED CHANGE FROM MAYOR'S 2003 PROPOSED ADOPTED
<u>SPENDING APPROPRIATIONS</u>						
001 GENERAL FUND	4,465,423	4,680,208	5,004,436	5,177,975	5,177,975	173,539
025 CITY ATTORNEY:OUTSIDE SERVICES FU	753,317	794,986	794,553	844,415	909,746	115,193
TOTAL SPENDING BY UNIT	5,218,740	5,475,194	5,798,989	6,022,390	6,087,721	288,732
<u>SPENDING BY MAJOR OBJECT</u>						
SALARIES	3,455,067	3,719,960	4,114,389	4,222,822	4,268,778	154,389
EMPLOYER FRINGE BENEFITS	1,058,047	1,147,736	1,217,548	1,342,209	1,357,184	139,636
SERVICES	512,883	433,181	376,962	385,044	389,444	12,482
MATERIALS AND SUPPLIES	83,322	72,317	72,290	72,315	72,315	25
MISC TRANSFER CONTINGENCY ETC	77,539	102,000				
DEBT						
STREET SEWER BRIDGE ETC IMPROVEMENT						
EQUIPMENT LAND AND BUILDINGS	31,882		17,800			17,800-
TOTAL SPENDING BY OBJECT	5,218,740	5,475,194	5,798,989	6,022,390	6,087,721	288,732
		4.9 %	5.9 %	3.9 %	1.1 %	5.0 %
<u>FINANCING BY MAJOR OBJECT</u>						
GENERAL FUND	4,465,423	4,680,208	5,004,436	5,177,975	5,177,975	173,539
SPECIAL FUNDS						
TAXES						
LICENSES AND PERMITS						
INTERGOVERNMENTAL REVENUE	69,235	10,937-	54,000	76,728	76,728	22,728
FEES, SALES AND SERVICES	567,328	603,154	696,349	741,283	741,283	44,934
ENTERPRISE AND UTILITY REVENUE						
MISCELLANEOUS REVENUE						
TRANSFERS	60,116	65,196	26,404	26,404	26,404	
FUND BALANCES			17,800		65,331	47,531
TOTAL FINANCING BY OBJECT	5,162,102	5,337,621	5,798,989	6,022,390	6,087,721	288,732
		3.4 %	8.6 %	3.9 %	1.1 %	5.0 %

Budget Explanation

Major Changes in Spending and Financing

Creating the 2004 Budget Base

The 2003 adopted budget was adjusted to set the budget base for the year 2004. The permanent budget reductions made in early 2003 to cope with cutbacks in the State's local government aid payments for 2003 and beyond were annualized for 2004 and reflected in the base budget. In particular, the base budget for each department reflects the "round 1" mid-year budget adjustments as adopted by the City Council, and the "round 2" adjustments as proposed by the Mayor and awaiting council action at the time the 2004 budget planning process began. The budget was increased for the anticipated growth in 2004 for salaries and fringes for staff related to the bargaining process. Employee benefit cost increases were projected and then considered in the process that distributes those total costs to the City departments' budgets through the budget system using the "fringe rate" process. Finally a spending cap was imposed on the department's adjusted general fund budget to help meet the announced cutbacks in the State's 2004 local government aid funding.

Mayor's Recommendations

The Mayor recommends a total City Attorney Office budget of \$5,177,975 which is a 3.5% increase over the 2003 adopted budget. The proposed budget recognizes increased revenues of \$431,000 for prosecution surcharges, which were used to offset any reduction the office was initially assigned to make as well as some increased needs identified by the office.

The City Attorney's Office budget has been submitted reflecting the 2003 Round 1 and 2 reduction plans. In addition, this budget reflects the department's share of city-wide budget savings related to the continuation of the hiring freeze into 2004, and a slight cutback in support costs.

Council Actions

The City Council adopted the City Attorney budget and recommendations as proposed by the Mayor, and approved the following changes recommended by the Mayor:

- add \$65,331 for an associate attorney whose focus will be with the neighborhood communities..



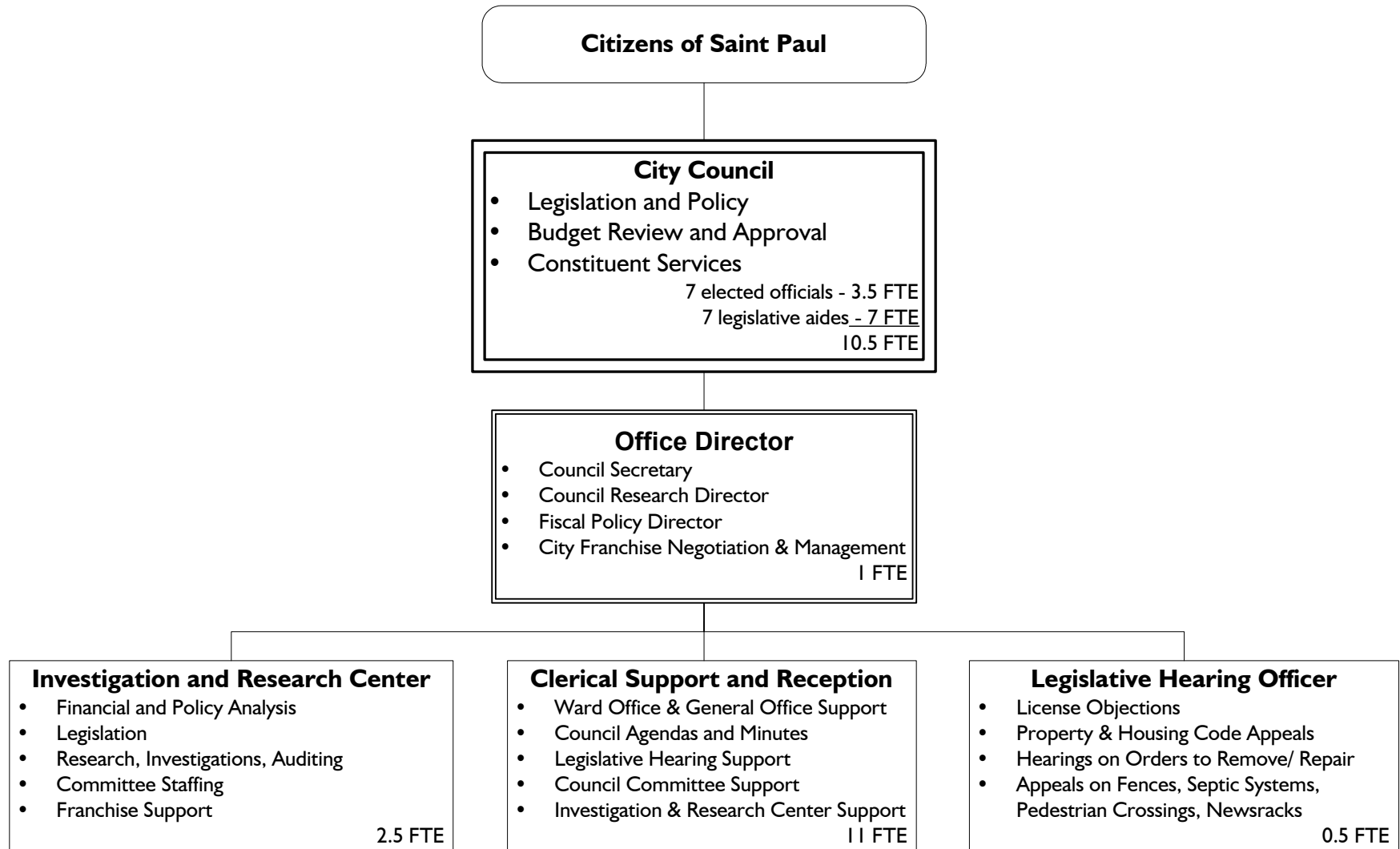
City Council

Mission Statement

The City Council is the legislative, policy-making, budget approval and performance auditing body for Saint Paul city government. The seven member City Council is elected by wards by the residents of Saint Paul to provide for the health, welfare, safety, economic opportunity, quality of life, and common good of the people of Saint Paul.

City Council

(Total 25.5 FTEs)



Strategic Plan Accomplishments and 2004 Priorities

Major Accomplishments

- The Council considered and disposed of 1,215 pieces of legislation in 2002.
- Council Research completed analyses and research in support of City Council legislative activities, including:
 - supporting the work of legislative advisory committees on the Reverend Martin Luther King, Jr. street renaming and library tax levy;
 - organized and conducted policy sessions
 - prepared memos and briefed Councilmembers on dozens of policy topics;
 - presented to nearly one hundred groups on chronic problem property research; and
 - co-produced the monthly Council Matters program
- The Legislative Hearing Officer conducted legislative hearings involving hundreds of assessments, objections to license applications, nuisance properties and other matters.
- The Fiscal Policy Director supported the Council's 2002 budget review process and conducted fiscal analyses of numerous financial plans and funding proposals.
- The Council approved of mid year 2003 budget amendments to adjust for the loss of \$13 million in 2003 Local Government Aid.

2004 Priorities

- Exercising the legislative responsibilities for the City as provided by the city charter;
- Functioning as the Housing and Redevelopment Authority and the Board of Health;
- Serving as a judicial body to hear appeals as specified by law;
- Determining policy direction for the City's fiscal affairs and development plans;
- Performing the legislative oversight function through the conduct of policy analyses and performance audits;
- Overseeing the granting of City franchises;
- Directing operations of the legislative branch of City government; and
- Approving the budgets for all City departments, as well as the Civic Center Authority, Saint Paul Regional Water Services and the Housing and Redevelopment Authority, and the tax levy for the Port Authority.
- Work cooperatively with the Mayor's Office in deciding how to reduce the City's operating budgets to reflect the cuts in state aides.

City Council

DEPARTMENT/OFFICE DIRECTOR: GREG BLEES

	2001 2ND PRIOR EXP & ENC *	2002 LAST YEAR EXP & ENC *	2003 ADOPTED BUDGET	2004 MAYOR'S PROPOSED	2004 COUNCIL ADOPTED	ADOPTED MAYOR'S PROPOSED	CHANGE FROM 2003 ADOPTED
<u>SPENDING APPROPRIATIONS</u>							
001 GENERAL FUND	2,016,335	2,107,498	2,218,107	2,086,365	2,216,365	130,000	1,742-
724 PUBLIC UTILITIES INVESTIGATION FU	124,259	88,897	65,434	65,161	65,161		273-
TOTAL SPENDING BY UNIT	2,140,594	2,196,395	2,283,541	2,151,526	2,281,526	130,000	2,015-
<u>SPENDING BY MAJOR OBJECT</u>							
SALARIES	1,490,111	1,530,284	1,589,553	1,480,645	1,480,645		108,908-
EMPLOYER FRINGE BENEFITS	448,192	472,470	485,605	488,909	488,909		3,304
SERVICES	99,777	103,235	124,524	110,857	110,857		13,667-
MATERIALS AND SUPPLIES	22,255	34,961	35,653	35,653	35,653		
MISC TRANSFER CONTINGENCY ETC	80,259	55,445	48,206	35,462	165,462	130,000	117,256
DEBT							
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS							
TOTAL SPENDING BY OBJECT	2,140,594	2,196,395	2,283,541	2,151,526	2,281,526	130,000	2,015-
		2.6 %	4.0 %	5.8-%	6.0 %	6.0 %	.1-%
<u>FINANCING BY MAJOR OBJECT</u>							
GENERAL FUND	2,016,335	2,107,498	2,218,107	2,086,365	2,216,365	130,000	1,742-
SPECIAL FUNDS							
TAXES							
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE							
FEES, SALES AND SERVICES	66,724	67,890	65,000	65,000	65,000		
ENTERPRISE AND UTILITY REVENUE							
MISCELLANEOUS REVENUE							
TRANSFERS							
FUND BALANCES			434	161	161		273-
TOTAL FINANCING BY OBJECT	2,083,059	2,175,388	2,283,541	2,151,526	2,281,526	130,000	2,015-
		4.4 %	5.0 %	5.8-%	6.0 %	6.0 %	.1-%

Budget Explanation

Major Changes in Spending and Financing

Creating the 2004 Budget Base

The permanent budget adjustments made in early 2003 to cope with cutbacks in the State's local government aid payments for 2003 and beyond were annualized for 2004 and reflected in the base budget. In particular, the base budget for each department reflects the "round 1" mid-year budget adjustments as adopted by the City Council, and the "round 2" adjustments as proposed by the Mayor and awaiting council action at the time the 2004 budget planning process began. The budget was increased for the anticipated growth in 2004 for salaries and fringes for staff related to the bargaining process. Employee benefit cost increases were projected and then considered in the process that distributes those total costs to the city departments' budgets through the budget system using the "fringe rate" process. Finally, a spending cap was imposed on the department's adjusted general fund budget..

Mayor's Recommendations

The City Council's proposed general fund budget for 2004 is \$2,086,365 which is down \$131,742 from the adopted 2003 budget of \$2,218,107. The 2004 proposed budget for City Council's special funds is \$65,161 compared to the 2003 budget of \$65,434.

The major change to spending is the reduction the office's share of city-wide budget savings related to the continuation of the hiring freeze into 2004, and a slight cutback in support costs. In addition to the above spending recommendations, the tort liability costs are shifted from the General Government Accounts to the department budgets (a zero net change city-wide) in order to more accurately reflect the department's true costs and have the departments help manage tort costs.

The General Fund revenue line item for the cable revenues are recommended to be shifted between City Council and the Office of Technology's Cable Communications Office.

City Council Actions

The City Council adopted the City Council budget and recommendations as proposed by the mayor, and made these further changes:

- place funding for a full-time director position in contingency.



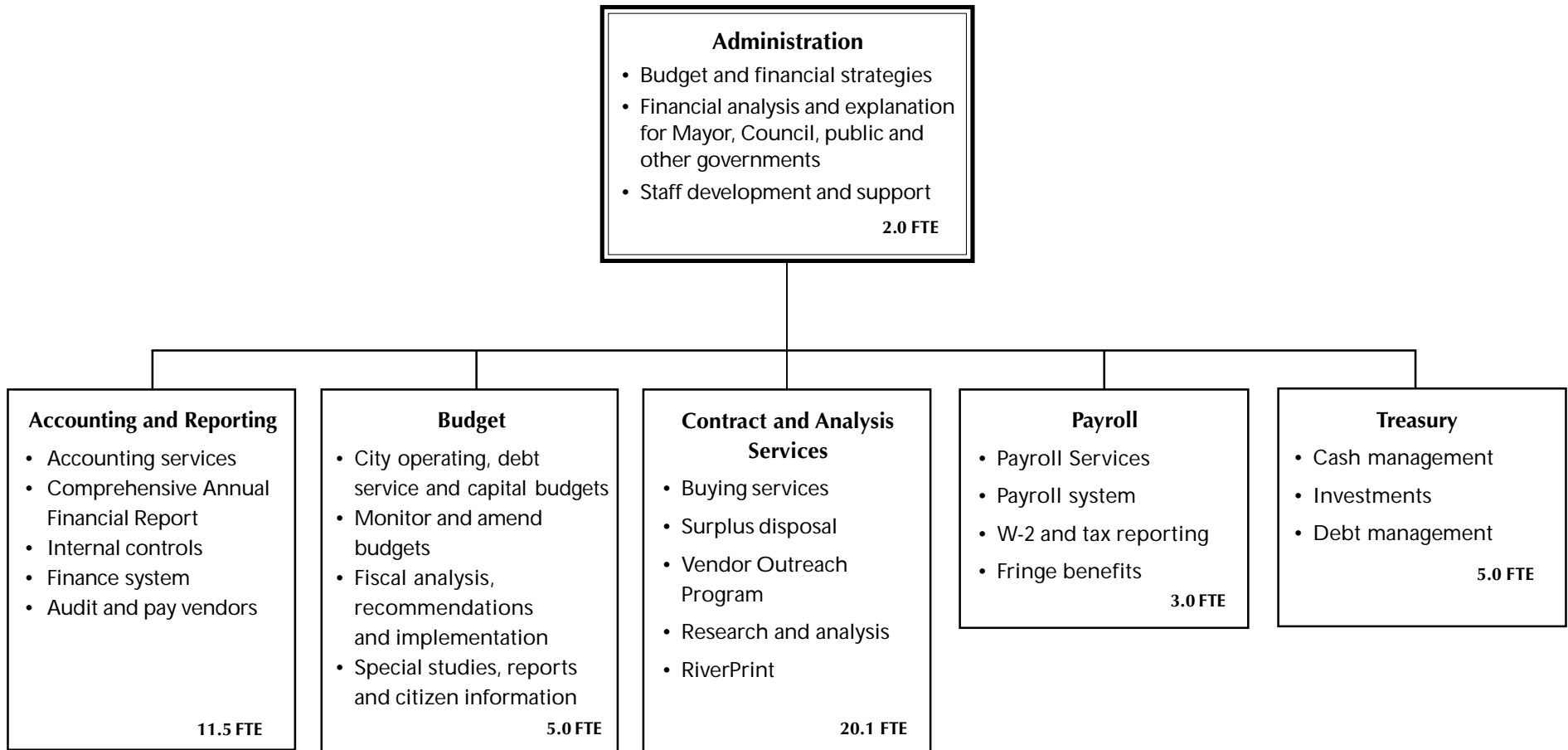
Office of Financial Services

Mission Statement

Manage the City's financial resources and assets to ensure taxpayers' confidence,
the organization's effectiveness and the City's fiscal integrity.

Financial Services

(Total 46.6 FTEs)



Strategic Plan Accomplishments and 2004 Priorities

Major Accomplishments

- Continued to provide superior service in payroll, accounting, budgeting, contract and analysis services, printing, treasury, finance system maintenance and financial reporting with five fewer positions than last year.
- Maintained city's AAA (Standard & Poor's) and Aa2 (Moody's) bond ratings. Achieved the first and only AAA sewer-only utility rating in the nation from Standard & Poor's.
- Developed 2003 operating, capital and debt budget proposals with no property tax increase. Organized and managed the city response to reductions in Local Government Aid (LGA) in the State budget, successfully developing and implementing a plan to offset \$13 million in reductions in 2003 and creating a plan to absorb up to a \$20.1 million cut in 2004.
- Received the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the City's 2001 comprehensive annual financial report (CAFR). Completed 2002 CAFR in compliance with GASB 34, The New Financial Reporting Model.
- Merged the Financial Reporting Section into the Accounting Section; Contract and Analysis Services into Financial Services and the central printing function, RiverPrint, into Contract and Analysis Services for better coordination and improvement of these intergovernmental services and to utilize accounting staff more effectively.
- Continued to improve the efficiency of financial management:
 - ▶ Completed an RFP for paramedic billing services with the Department of Fire and Safety Services that is anticipated to reduce costs to the City.
 - ▶ Continue to offer comprehensive buying, contracting and surplus disposal services to the City, Ramsey County, Saint Paul Regional Water Service and the Saint Paul Port authority.
 - ▶ Upgraded the City's Procurement Card management software to a web-based platform to help process small transactions more efficiently and reduce the time that Accounting staff spend administering the program.

2004 Priorities

- Developing a 2004 budget proposal that reflects the Mayor's priorities and balances within the State reductions in Local Government Aid (LGA).
- Promoting financing, spending and reserve policies to preserve the City's AAA and Aa2 bond ratings.
- Publishing financial documents that provide the finance professional and the interested citizen with information that is well documented and informative.
- Controlling the costs of fiscal operations, including the cost of debt issuance and investment management, and seeking a competitive return on investments.
- Implementing a new investment policy to improve the management of investment activity.
- Developing more useful and transparent monthly and quarterly financial reports by department and citywide.
- Continuing to consolidate local government purchasing power by expanded collaboration with governments within Ramsey County and the East Metro area.
- Assisting in implementing any new initiative for gathering and reporting citywide performance data as directed by the Mayor.

Office of Financial Services

DEPARTMENT/OFFICE DIRECTOR: MATT SMITH

	2001 2ND PRIOR EXP & ENC *	2002 LAST YEAR EXP & ENC *	2003 ADOPTED BUDGET	2004 MAYOR'S PROPOSED	2004 COUNCIL ADOPTED	ADOPTED MAYOR'S PROPOSED	CHANGE FROM 2003 ADOPTED
<u>SPENDING APPROPRIATIONS</u>							
001 GENERAL FUND	1,640,645	1,934,405	1,676,549	1,911,085	1,911,085		234,536
050 SPECIAL PROJECTS:GEN GOV ACCTS FU	5,088,204	5,178,924	5,256,204	6,980,957	6,873,805	107,152-	1,617,601
070 INTERNAL BORROWING FUND	6,718,168	4,538,681		550,000	550,000		550,000
124 CONTRACT AND ANALYSIS SERVICES	837,858	910,360	1,023,445	971,149	1,014,762	43,613	8,683-
127 ST PAUL/RAMSEY COUNTY PRINT CENTR	1,493,332	1,405,627	1,389,136	1,347,768	1,347,768		41,368-
165 OFS SPECIAL PROJECTS FUND	2,251,423	747,999	1,772,179	558,078	558,078		1,214,101-
802 CPL OPERATING FUND	2,642,969	1,066,216	2,903,211	2,805,393	2,805,393		97,818-
TOTAL SPENDING BY UNIT	20,672,599	15,782,212	14,020,724	15,124,430	15,060,891	63,539-	1,040,167
<u>SPENDING BY MAJOR OBJECT</u>							
SALARIES	2,474,645	2,575,360	2,883,286	2,380,610	2,401,885	21,275	481,401-
EMPLOYER FRINGE BENEFITS	733,256	794,904	879,554	773,698	780,631	6,933	98,923-
SERVICES	1,453,095	1,116,082	1,115,449	1,295,327	1,309,782	14,455	194,333
MATERIALS AND SUPPLIES	652,020	627,800	697,955	699,507	688,457	11,050-	9,498-
MISC TRANSFER CONTINGENCY ETC	11,735,032	9,644,283	5,836,826	7,472,888	7,377,736	95,152-	1,540,910
DEBT	718,168	738,681		425,000	425,000		425,000
STREET SEWER BRIDGE ETC IMPROVEMENT	1,389,391	28,180	1,700,000	1,871,400	1,871,400		171,400
EQUIPMENT LAND AND BUILDINGS	1,516,992	256,922	907,654	206,000	206,000		701,654-
TOTAL SPENDING BY OBJECT	20,672,599	15,782,212	14,020,724	15,124,430	15,060,891	63,539-	1,040,167
		23.7-%	11.2-%	7.9 %	.4-%	.4-%	7.4 %
<u>FINANCING BY MAJOR OBJECT</u>							
GENERAL FUND	1,640,645	1,934,405	1,676,549	1,911,085	1,911,085		234,536
SPECIAL FUNDS							
TAXES	1,622,576	1,771,214	1,840,600	1,727,050	1,616,915	110,135-	223,685-
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE	1,680,934	253,006		200,000	200,000		200,000
FEES, SALES AND SERVICES	5,456,071	5,552,409	5,424,551	6,956,783	7,003,379	46,596	1,578,828
ENTERPRISE AND UTILITY REVENUE	481						
MISCELLANEOUS REVENUE	4,898,931	21,419,662	3,255,933	3,850,393	3,850,393		594,460
TRANSFERS	205,834	192,706	417,642	28,342	28,342		389,300-
FUND BALANCES			1,405,449	450,777	450,777		954,672-
TOTAL FINANCING BY OBJECT	15,505,472	31,123,402	14,020,724	15,124,430	15,060,891	63,539-	1,040,167
		100.7 %	55.0-%	7.9 %	.4-%	.4-%	7.4 %

Budget Explanation

Major Changes in Spending and Financing

Creating the 2004 Budget Base

The 2003 adopted budget was adjusted to set the budget base for the year 2004. The permanent budget adjustments made in early 2003 to cope with cutbacks in the State's local government aid payments for 2003 and beyond were annualized for 2004 and reflected in the base budget. In particular, the base budget for each department reflects the "round 1" mid-year budget adjustments as adopted by the City Council, and the "round 2" adjustments as proposed by the Mayor and awaiting council action at the time the 2004 budget planning process began. The budget was increased for the anticipated growth in 2004 for staff salaries and fringes related to the bargaining process. The base budget was also adjusted to account for the transfer in of the Contract Services functions. Finally, a spending cap was imposed on the department's adjusted general fund budget to help meet the announced cutbacks in the State's 2004 local government aid funding.

Mayor's Recommendations

The recommended 2004 general fund budget of the Office of Financial Services (OFS) is \$1,911,085, which is \$234,536 more than the adopted 2003 budget. The increase is due to a shift of purchasing services and vendor outreach functions into OFS. Together they account for \$471,794.

The general fund budgets have absorbed the loss of 3.2 FTEs as a result of the 2003 mid-year round I and round II budget cut process. OFS special fund FTEs decreased by 6.7, when compared to 2003 adopted. However, some of the decrease is due to two Real Estate activities being shifted to the Public Works Department. When corrected to make a consistent comparison, overall general and special fund FTEs decreased by 4.3. The special fund budgets include an Accountant III position which replaces an Accounting Tech IV. This position will ensure more effective internal financial policies and controls.

Fund 050 spending increases substantially (by \$1,782,564 when compared with 2003 adopted) due to central services spending and financing. The fund reflects more central services fees, which are transferred in from special funds. Central service fees are then used as a source of financing for the general fund.

New spending of \$550,000 is reflected in Fund 070, the Internal Borrowing Fund. This fund exists to make internal loans to other departments for city projects. Included are the District Energy asset conversion, Upper Landing inter-fund loan, and the Highland Golf Course renovation.

Council Actions

The city council adopted the Financial Services Office budget and recommendations as proposed by the mayor, and approved the following changes recommended by the mayor,

- decrease general fund revenue transferred from fund 050 by \$1,417. This loss in revenue is related to central service costs charged to special fund budgets.
- increase spending and financing in special fund 050, activity 30117, which tracks central service costs, by \$2,983 to reflect additional central service charge revenue from special funds.
- decrease hotel/motel financing in special fund 050, activity 30108, by \$110,135. Decrease the spending for the Convention and Visitors' Bureau by \$98,135, and by \$12,000 for the activity's reserve.
- increase spending and financing by \$43,613 in fund 124, activity 11254. This will allow Saint Paul to serve as the lead agency for the Collaborative, a joint powers entity consisting of the City of Saint Paul, City of Minneapolis, Hennepin County and Ramsey County.



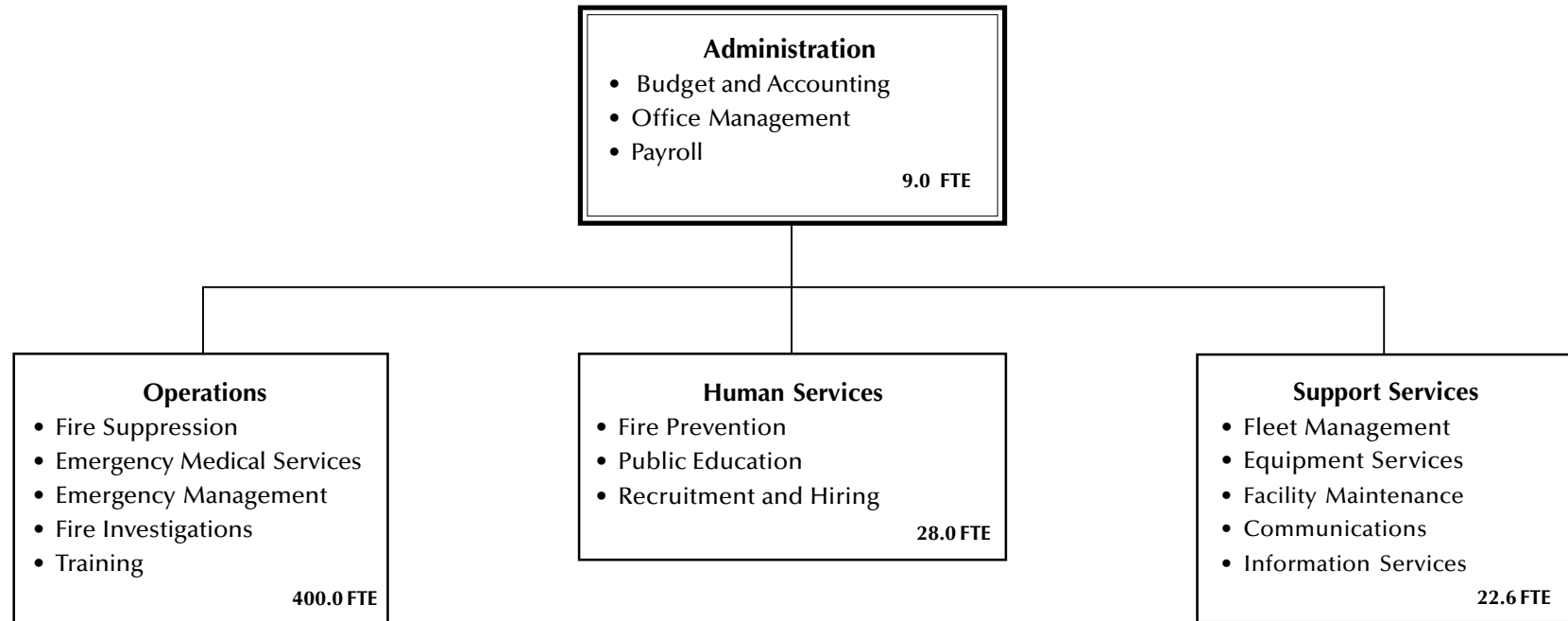
Fire and Safety Services

Mission Statement

To protect the life and property of people in Saint Paul by providing quality service, by dedicated professionals.

Fire and Safety Services

(Total 459.6 FTEs)



Strategic Plan Accomplishments and 2004 Priorities

Major Accomplishments

- Our Department solicits input from our customers regarding our services. We ask them to rate our response performance using a scale from 1-6 (1 = below expectations and 6 = exceeded expectations). In 2002, we received a 5.0 overall rating for fire response and a 5.2 overall rating for EMS response. We have consistently received "Exceeded Expectations" ratings since the start of the program in the early 1990's. Accompanying the survey is an information booklet we send to all victims of structure fires that provides pertinent information and resources regarding damage recovery, cleanup, and record replacement, etc.
- We established a performance based critical skills assessment program for all fire companies. Through this initiative, employees are better managed and more committed to excellence in their jobs. Our operations are more productive, efficient, and the reduction of errors is evident.
- We achieved one of the lowest ever average sick days per employee in 2003. This is due to re-examination of our current policies and some modifications. In 2002, the City's average sick days per employee was 8.31; the Fire Department's average sick days per employee was 5.81.
- Saint Paul Fire and Safety Services hosted the Twin Cities Metropolitan Response System Weapons of Mass Destruction Chemical Exercise at the Minnesota State Fairgrounds on May 3, 2003. This exercise tested the coordination and cooperation that would be required of multiple agencies and multiple jurisdictions in order to respond to such a disaster. Nearly 600 participants attended this exercise.
- We established the first ALS/Engine Medic Company at Fire Station 19. This company is a six-member team available to respond to a fire or medical emergency, maintaining a more consistent presence and availability in the community they serve.

2004 Priorities

- Continually improve our recruiting efforts and increase our diversity by targeting groups that will reflect the community we serve.
- Provide an appropriate and efficient EMS delivery system by implementing different levels of response according to the degree of emergency and match resource with need.
- Continue to monitor our service levels and response times to ensure the safety of our citizens, property, and personnel.
- Support a culture of innovations to improve internal and external customer service.
- Effectively manage fire suppression personnel, to maintain adequate safe staffing levels year round.
- To more effectively deploy its resources to control costs and increase financial self sufficiency, Fire Prevention will focus resources on prioritized target property issues.
- Provide a safer community through planning, partnerships, and programs based upon analysis of fire, injury, and inspection data. This will be accomplished through improved coordination and communication between fire suppression and fire prevention personnel. The department will also expedite enforcement, increase compliance, and deter repeat offenses
- Continue to focus on our labor-management process promoting a cooperative team approach.

Fire and Safety Services

DEPARTMENT/OFFICE DIRECTOR: DOUGLAS HOLTON

	2001 2ND PRIOR EXP & ENC *	2002 LAST YEAR EXP & ENC *	2003 ADOPTED BUDGET	2004 MAYOR'S PROPOSED	2004 COUNCIL ADOPTED	ADOPTED MAYOR'S PROPOSED	CHANGE FROM 2003 ADOPTED
<u>SPENDING APPROPRIATIONS</u>							
001 GENERAL FUND	37,470,393	37,735,551	41,143,912	39,831,808	39,833,158	1,350	1,310,754-
505 EQUIPMENT SERVICES FIRE-POLICE	2,158,347	2,020,854	2,244,885	2,272,745	2,272,745		27,860
510 FIRE RESPONSIVE SERVICES	58,650	55,030	43,550	43,950	43,950		400
735 FIRE FIGHTING EQUIPMENT	122,313	959,691	542,199	542,199	542,199		
736 FIRE PROTECTION CLOTHING	185,871	202,756	229,573	229,573	229,573		
TOTAL SPENDING BY UNIT	39,995,574	40,973,882	44,204,119	42,920,275	42,921,625	1,350	1,282,494-
<u>SPENDING BY MAJOR OBJECT</u>							
SALARIES	27,457,979	27,668,343	29,198,938	28,245,557	28,245,557		953,381-
EMPLOYER FRINGE BENEFITS	7,172,317	7,555,028	8,722,174	8,865,288	8,865,288		143,114
SERVICES	1,411,676	1,482,965	2,227,109	2,095,183	2,096,533	1,350	130,576-
MATERIALS AND SUPPLIES	2,729,321	2,633,973	2,587,490	2,573,074	2,573,074		14,416-
MISC TRANSFER CONTINGENCY ETC	233,977	230,511	563,713	247,741	247,741		315,972-
DEBT							
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS	990,304	1,403,062	904,695	893,432	893,432		11,263-
TOTAL SPENDING BY OBJECT	39,995,574	40,973,882	44,204,119	42,920,275	42,921,625	1,350	1,282,494-
		2.4 %	7.9 %	2.9-%			2.9-%
<u>FINANCING BY MAJOR OBJECT</u>							
GENERAL FUND	37,470,393	37,735,551	41,143,912	39,831,808	39,833,158	1,350	1,310,754-
SPECIAL FUNDS							
TAXES							
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE							
FEES, SALES AND SERVICES	2,787,348	2,880,010	2,744,826	2,777,157	2,777,157		32,331
ENTERPRISE AND UTILITY REVENUE	882	1,527					
MISCELLANEOUS REVENUE	75,691	74,109	43,200	43,200	43,200		
TRANSFERS	232,998	229,573	229,573	229,573	229,573		
FUND BALANCES			42,608	38,537	38,537		4,071-
TOTAL FINANCING BY OBJECT	40,567,312	40,920,770	44,204,119	42,920,275	42,921,625	1,350	1,282,494-
		.9 %	8.0 %	2.9-%			2.9-%

Budget Explanation

Major Changes in Spending and Financing

Creating the 2004 Budget Base

The 2003 adopted budget was adjusted to set the budget base for the year 2004. The permanent budget adjustments made in early 2003 to cope with cutbacks in the State's local government aid payments for 2003 and beyond were annualized for 2004 and reflected in the base budget. In particular, the base budget for each department reflects the “round 1” mid-year budget adjustments as adopted by the City Council, and the “round 2” adjustments as proposed by the Mayor and awaiting council action at the time the 2004 budget planning process began. The budget was increased for the anticipated growth in 2004 for salaries and fringes for staff related to the bargaining process. Employee benefit cost increases were projected and then considered in the process that distributes those total costs to the city departments’ budgets through the budget system using the “fringe rate” process. Finally, a spending cap was imposed on the department’s adjusted general fund budget to help meet the announced cutbacks in the State’s 2004 local government aid funding.

The 2003 round 1 and 2 adjustments affected the base budget for Fire and Safety Services. The changes include these notable items:

- a budget decrease for fourteen vacant fire fighter positions,
- reduction of paid overtime to fire fighters for EMT and ACLS recertification,
- elimination of the EMS chief (retirement).

Further adjustments were then made to the Fire’s base budget. Specifically:

- increasing the base for salaries and fringes for staff related to the bargaining process,
- adding funding back for one time equipment removed in 2003,
- removing the budget for the fire fighter test funded in 2003, and
- imposing a spending cap.

Mayor’s Recommendations

The Department of Fire and Safety Services proposed general fund budget for 2004 is \$39,831,808, and is down \$1,312,104, or 3.1% from the adopted 2003 budget of \$41,143,912. The 2004 proposed budget for Fire’s special funds is \$3,088,467 compared to the 2003 budget of \$3,060,207.

Other notable changes for 2004 include:

- elimination of all shortage overtime for fire suppression personnel,
- the planned reduction of thirty percent for city paid charges to the paramedic billing agency, to be accomplished by rebidding the service contract,
-

- a one-time reduction in budget for equipment replacement which will possibly be acquired in 2003,
- the elimination of the medicals and background checks costs associated with hiring new firefighter recruits,
- anticipation of a successful result from the 2003 pilot project of forming Super Engine/Medic 19,
- the department’s share of city-wide budget savings related to the continuation of the hiring freeze into 2004, and a slight cutback in support costs,
- a shift of the budget for department costs of the City’s property related system (AMANDA) from Fire to the Office of Technology’s Information Services unit
- and a shift of the costs of tort liability claims from the non department general government accounts general fund budget into the Fire department budget.

The reductions identified do not affect positions within the department. The total positions in the budget submission matches that of the base budget.

This proposal also includes an increase of \$363,312 in paramedic transport fees. This represents a six percent increase over the 2003 fee structure. The rate increases from \$870 to \$922 per run.

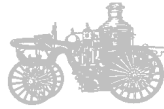
The budget also increases the estimate for certificate of occupancy fee collections by \$91,950.

Council Actions

The city council adopted the Fire and Safety Services Department budget and recommendations as proposed by the mayor, and approved the following changes recommended by the mayor:

- reversing a small portion (\$1,350) of the shift of the budget for department costs of the City’s property related system (AMANDA) from Fire to the Office of Technology’s Information Services unit

Proud Traditions



Focus on the Future

FIRE PROTECTION DISTRICTS

District 1		District 3	
Station 14	111 N. Snelling Engine/Medic 14 Rescue/Hazardous- Materials Squad 2	Station 4	505 Payne Engine/Medic 4 Rescue/Hazardous- Materials Squad 1
Station 19	2530 Edgumbe Engine/Medic 19 Rescue Boat 19	Station 7	1038 Ross Engine 7 Ladder 7
Station 20	2179 University Engine 20 Ladder 20	Station 9	1624 E. Maryland Engine/Medic 9 Rescue Boat 9
Station 23	1926 Como Engine/Medic 23 Engine 13	Station 17	1226 Payne Engine/Medic 17
District 2		Station 24	273 White Bear Engine/Medic 24 Ladder 24
Station 1	296 W. Seventh Engine 1		
Station 5	860 Ashland Engine 5		
Station 6	33 Concord Engine/Medic 6 Engine 15 Rescue Boat 15 Hovercraft 15		
Station 8	100 E. Eleventh Engine 8 Ladder 8 Arson Van Public Education Van		
Station 10	754 Randolph Engine/Medic 10 Ladder 10		
Station 18	681 University Engine/Medic 18 Ladder 18		
Station 22	225 Front Engine/Medic 22 Ladder 22		

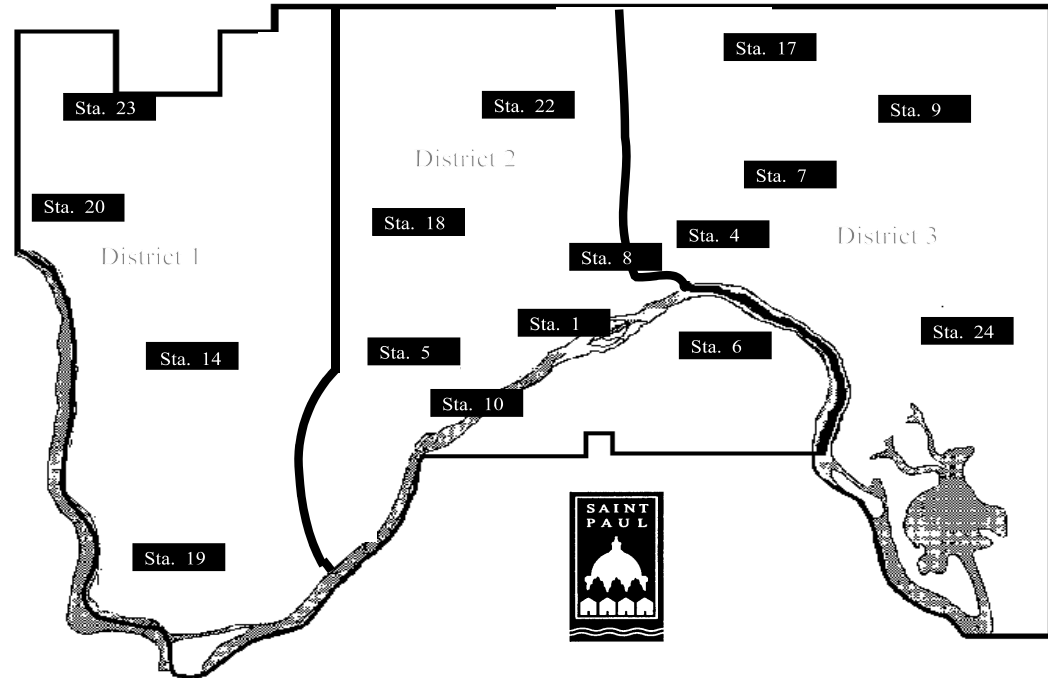
Department of Fire and Safety Services

Providing emergency fire/disaster/medical & life-safety services for:

287,151	Residents
115,713	Housing Units (58,748 single-family units) (13,753 duplex units) (43,212 multi-family units)
5,016	Commercial/Industrial Properties
55.4	Square Miles
\$15,532,000,000	Estimated Real Estate Value
170,000	Landings & Takeoffs-Downtown Airport
61	Miles Main Line Railway
17.9	Miles Interstate Highway
23.5	Miles Mississippi River Waterway
11.4 million	Visitors (approximate)

2002 Average Response Times:

4 minutes, 4 seconds	Response Times to Fire Calls
4 minutes, 10 seconds	Response Times to Medic Calls
4 minutes, 8 seconds	Overall Department Average Response Time



General Government Accounts

Mission Statement

To budget for services provided on a citywide basis and not directly associated with an operating department or office.

Strategic Plan Accomplishments and 2004 Priorities

Major Accomplishments

- The Charter Commission has worked on analysis and preparation of alternative redistricting proposals.
- The process for distribution of city funds to non profit city organizations has been conducted equitably according to city council policies.
- Working with the City's labor union representatives, city staff have managed the financial control of the costs related to city employee fringe benefits, including pensions, insurance, workers' compensation and severance pay.
- Implementation of the 2002 Innovations Program projects are underway.
- The audit of the City's 2002 financial records is nearly complete, and the annual financial report is being prepared, printed and distributed.
- Tort claims levied against the City and approved by the city council have been managed, and claimants paid.
- The City's interests and share of costs for the operation of city hall, including security issues in the aftermath of 9/11/01, have been managed.
- The citizen participation program and the neighborhood crime prevention programs were funded.
- Election services to the citizens of Saint Paul were provided.

2004 Priorities

- The city council staff manage the Civic Organization Partnership program and the budget for the Charter Commission.
- The City Attorney's Office oversees the Tort Liability budget and administers any use of law firms and expert legal service outside of the city attorney staff.
- The Citizen Services Office is responsible for the elections services budget.
- The Office of Financial Services works with the budgets for pensions, severance pay, state auditor, the contribution to the capital budget, the Capital Improvement Budget committee, financial forms, employee parking, and refunds.
- The Real Estate unit deals with exempt and forfeited property assessments and the service and operations of the city hall building.
- Human Resources (risk management) leads the citywide effort to control the costs associated with workers compensation, employee and retiree health insurance, torts, and unemployment compensation.
- The Planning and Economic Development staff directs the budget for Citizen Participation and the Neighborhood Crime Prevention program.
- Work will begin on a common 311 citizen response telephone answering system.

General Government Accounts

DEPARTMENT/OFFICE DIRECTOR: MATT SMITH

	2001 2ND PRIOR EXP & ENC *	2002 LAST YEAR EXP & ENC *	2003 ADOPTED BUDGET	2004 MAYOR'S PROPOSED	2004 COUNCIL ADOPTED	ADOPTED MAYOR'S PROPOSED	CHANGE FROM 2003 ADOPTED
<hr/>							
<u>SPENDING APPROPRIATIONS</u>							
001 GENERAL FUND	8,984,467	7,934,643	7,195,012	5,962,766	5,962,766		1,232,246-
720 DEBT-CAPITAL IMPROVEMENT FUND		129,322					
	<hr/>						
TOTAL SPENDING BY UNIT	8,984,467	8,063,965	7,195,012	5,962,766	5,962,766		1,232,246-
	<hr/>						
<u>SPENDING BY MAJOR OBJECT</u>							
SALARIES	254,123	103,227	83,157	4,970	70,594	65,624	12,563-
EMPLOYER FRINGE BENEFITS	24,106-	47,200	24,403	522	65,102-	65,624-	89,505-
SERVICES	2,634,906	2,899,081	2,605,227	2,765,259	2,765,259		160,032
MATERIALS AND SUPPLIES	188,878	117,261	18,524	15,469	15,469		3,055-
MISC TRANSFER CONTINGENCY ETC	3,850,389	3,653,463	4,210,169	3,176,546	3,176,546		1,033,623-
DEBT	2,012,963	1,090,338					
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS	67,314	153,395	253,532				253,532-
	<hr/>						
TOTAL SPENDING BY OBJECT	8,984,467	8,063,965	7,195,012	5,962,766	5,962,766		1,232,246-
	<hr/>						
		10.2-%	10.8-%	17.1-%			17.1-%
<u>FINANCING BY MAJOR OBJECT</u>							
GENERAL FUND	8,984,467	7,934,643	7,195,012	5,962,766	5,962,766		1,232,246-
SPECIAL FUNDS							
TAXES							
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE							
FEES, SALES AND SERVICES	1,250	116,911					
ENTERPRISE AND UTILITY REVENUE							
MISCELLANEOUS REVENUE	27,251						
TRANSFERS							
FUND BALANCES							
	<hr/>						
TOTAL FINANCING BY OBJECT	9,012,968	8,051,554	7,195,012	5,962,766	5,962,766		1,232,246-
	<hr/>						
		10.7-%	10.6-%	17.1-%			17.1-%

Budget Explanation

Major Changes in Spending and Financing

Creating the 2004 Budget Base

The 2003 adopted budget was adjusted to set the budget base for the year 2004. The permanent budget adjustments made in early 2003 to cope with cutbacks in the State's local government aid payments for 2003 and beyond were annualized for 2004 and reflected in the base budget. In particular, the base budget for each department reflects the “round 1” mid-year budget adjustments as adopted by the City Council, and the “round 2” adjustments as proposed by the Mayor and awaiting council action at the time the 2004 budget planning process began. The budget was increased for the anticipated growth in 2004 for salaries and fringes for staff related to the bargaining process. Employee benefit cost increases were projected and then considered in the process that distributes those total costs to the city departments’ budgets through the budget system using the “fringe rate” process. Finally, a spending cap was imposed on the department’s adjusted general fund budget to help meet the announced cutbacks in the State’s 2004 local government aid funding.

The mid year 2003 round 1 and 2 adjustments affected the base. These changes include:

- removing all 2003 appropriated contingencies,
- reducing the Public Improvement Aid contribution from the general fund to the capital budget,
- shifting of employee downtown business parking expense out of the general government accounts to department budgets, and
- cutting back in the budget for Financial Forms,
- adjusting the funding within the Community Development Block grant, affecting the general fund’s district councils’ budget, and decreasing the district councils’ budget,
- decreasing the tort liability budget, and
- eliminating the worker’s compensation incentive program.

Further adjustments were then made to the base. Specifically:

- adjusting the COPP program budget to remove council added one-time 2003 funding,
- including the normal annual increase in the elections contract with Ramsey County in the base, and removing the one time 2002 and 2003 funding for election equipment,
- deducting one time 2003 costs from the city hall courthouse budget,
- revising the Forfeited Property Assessments budget, modifying a decision from the Round 2 reduction plan,
- adding to the Exempt and Forfeited Property Assessments budgets to cover anticipated city assessment rate increases,

- adjusting the 2003 estimates for financing for pension aids to bring them to an expected 2004 level.

Mayor’s Recommendations

The proposed general fund budget for the General Government Accounts for 2004 is \$5,962,766, and is down \$1,232,246, or 17.1% from the adopted 2003 budget of \$7,195,012. The General Government Accounts have no special fund budgets.

The Mayor recommends a 2004 budget for the General Government Accounts reflecting the 2003 Round 1 and 2 reduction plans. To meet 2004 base spending, the Mayor made decisions to decrease spending, reduce services, and reflect other miscellaneous cuts to meet the spending cap. Some notable changes include:

- establishing a budget for the initial assessment and design work related to a 311 citizen response phone system for Saint Paul,
- adjusting the exempt and forfeited property assessments budgets below base and implementing a Round 1 staffing decision,
- shifting the costs of tort liability claims from the non department general government accounts general fund budget into the general and special fund budgets of the department responsible for the action that lead to the claim to increase department accountability,
- reducing the COPP program budget by the same percentage as the cutback in State local government aid,
- recognizing the costs of security in the city hall and courthouse building,
- covering the costs of election services provided by Ramsey County,
- modifying the municipal memberships budget for some minor increases in dues, and
- reflecting the general governments accounts’ share of city-wide budget savings related to the continuation of the hiring freeze into 2004, and a slight cutback in support costs.

Council Actions

The city council adopted the General Government Accounts budget and recommendations as proposed by the mayor, and approved the following changes:

- swapping funding within the Worker’s Compensation budget by increasing funding for a worker’s compensation staffer and decreasing funding for direct worker’s compensation costs, recognizing the duty of the staffer is to save and reduce department worker’s compensation costs, and
- ending the Community Organization Partnership Program, and replacing it with a new Ward Initiative Program.

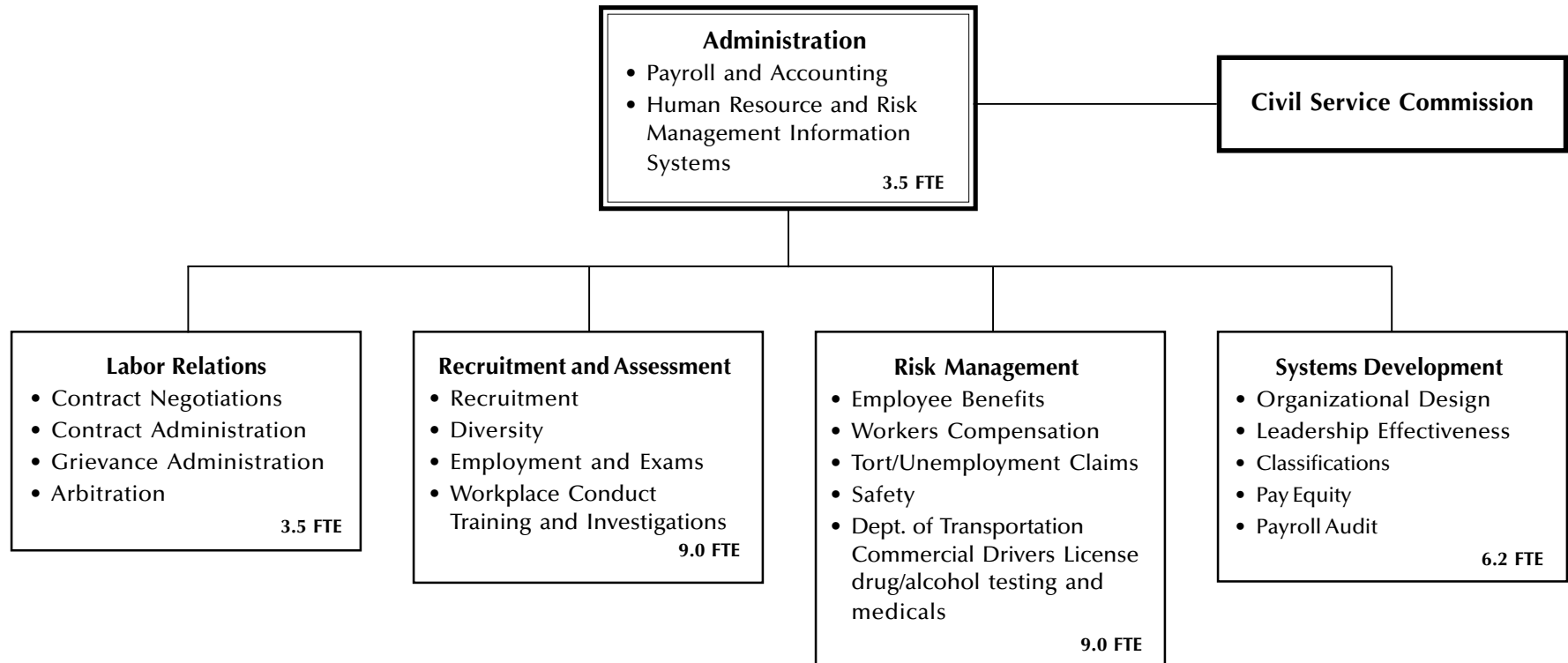
Office of Human Resources

Mission Statement

Providing the City with effective and efficient Human Resources services and expertise.

Human Resources

(Total 31.2 FTEs)



Strategic Plan Accomplishments and 2004 Priorities

Major Accomplishments

- Planned, designed, maintained, and implemented competency-based human resource systems for the City, which saves dollars, establishes performance parameters, and equitably compensates individuals for work done.
- Provided organizational design and development coaching for all Department/Office Directors and Managers faced with restructuring, merging operations, or dealing with internal coordination issues.
- Collaborated with Ramsey County for the 2003 Administrative Professional Conference, shared expertise on a competency-based classification system, and assisted them with three major reorganization studies.
- Provided expert consultant services to Minneapolis, Hennepin and Ramsey Counties, and surrounding suburban communities relative to compensation management strategies the City of Saint Paul is currently using to hold the line on staffing costs.
- Increased the leadership effectiveness of 25 supervisors or potential supervisors through the First Line Supervisory Training Academy.
- Planned and implemented the 10th Annual Years of Service Breakfast recognition for approximately 125 participants.
- Maintained the city's compliance with State of Minnesota's Pay Equity Act for the 11th consecutive year.
- Conducted a joint negotiation session with eight (8) bargaining units. This resulted in very affordable contracts that were all completed within 2 months of their expiration.
- Completed the City/HR diversity plan; assisted departments in developing their diversity plans.
- Collaborated with Police, Fire, and Parks and Recreation on special recruitment projects.
- Completed recruitment and assessment processes for 5 department directors.
- Selected a Risk Management Information system (RMIS) vendor through a request for proposal process, and installed the new RMIS system.
- Worked with the Labor Management Committee on Health Insurance, developed and selected four health insurance plans to be offered in 2003, instead of the usual one plan.
- Negotiated a 2003 contract with Medica for health benefits for the city's regular retirees that controlled costs with less than a 6% premium increase.
- Negotiated a 2003 contract with HealthPartners that allows the City to use 50% of HealthPartners pharmaceutical rebate related to the City's account for City benefit administration expenses.
- Worked with the Labor Management Committee on Health Insurance to select a Post Employment Healthcare plan through an RFP process.

2004 Priorities

- Providing expert human resources support to the various reorganization initiatives being pursued by the Mayor's Office.
- Successfully merging Risk Management into the Office of Human Resources.
- Exploring system improvements and investments to decrease manual processes.
- Collaborating with Ramsey County to share eligible lists for common entry level positions
- Redesigning website to create more self service features for employees, managers, City retirees, and the general public.
- Simplifying payroll processing through policy change and labor contracts.
- Continue to streamline and standardize recruitment and assessment processes and procedures.
- Revising the City diversity goals and plan based upon new census data.
- Assisting departments and offices to achieve their diversity goals.
- Continuing to provide workplace conduct and diversity training, as requested.
- Working with IS to complete phase I & II of the applicant/exam system (humres) conversion to Oracle.

Human Resources

DEPARTMENT/OFFICE DIRECTOR: ANGELA NALEZNY

	2001 2ND PRIOR EXP & ENC *	2002 LAST YEAR EXP & ENC *	2003 ADOPTED BUDGET	2004 MAYOR'S PROPOSED	2004 COUNCIL ADOPTED	ADOPTED CHANGE FROM MAYOR'S 2003 PROPOSED ADOPTED
<u>SPENDING APPROPRIATIONS</u>						
001 GENERAL FUND	2,802,599	2,718,718	2,895,086	3,010,636	3,010,636	115,550
TOTAL SPENDING BY UNIT	2,802,599	2,718,718	2,895,086	3,010,636	3,010,636	115,550
<u>SPENDING BY MAJOR OBJECT</u>						
SALARIES	1,800,402	1,712,090	1,748,959	1,781,663	1,781,663	32,704
EMPLOYER FRINGE BENEFITS	528,982	523,010	535,505	582,580	582,580	47,075
SERVICES	398,382	415,248	440,234	594,553	594,553	154,319
MATERIALS AND SUPPLIES	74,172	61,278	46,888	45,340	45,340	1,548-
MISC TRANSFER CONTINGENCY ETC	661	360	117,500	1,000	1,000	116,500-
DEBT						
STREET SEWER BRIDGE ETC IMPROVEMENT		6,732	6,000	5,500	5,500	500-
EQUIPMENT LAND AND BUILDINGS						
TOTAL SPENDING BY OBJECT	2,802,599	2,718,718	2,895,086	3,010,636	3,010,636	115,550
		3.0-%	6.5 %	4.0 %		4.0 %
<u>FINANCING BY MAJOR OBJECT</u>						
GENERAL FUND	2,802,599	2,718,718	2,895,086	3,010,636	3,010,636	115,550
SPECIAL FUNDS						
TAXES						
LICENSES AND PERMITS						
INTERGOVERNMENTAL REVENUE						
FEES, SALES AND SERVICES						
ENTERPRISE AND UTILITY REVENUE						
MISCELLANEOUS REVENUE						
TRANSFERS						
FUND BALANCES						
TOTAL FINANCING BY OBJECT	2,802,599	2,718,718	2,895,086	3,010,636	3,010,636	115,550
		3.0-%	6.5 %	4.0 %		4.0 %

Budget Explanation

Major Changes in Spending and Financing

Creating the 2004 Budget Base

The 2003 adopted budget was adjusted to set the budget base for the year 2004. The permanent budget adjustments made in early 2003 to cope with cutbacks in the State's local government aid payments for 2003 and beyond were annualized for 2004 and reflected in the base budget. In particular, the base budget for each department reflects the “round 1” mid-year budget adjustments as adopted by the City Council, and the “round 2” adjustments as proposed by the Mayor and awaiting council action at the time the 2004 budget planning process began. The budget was increased for the anticipated growth in 2004 for salaries and fringes for staff related to the bargaining process. Employee benefit cost increases were projected and then considered in the process that distributes those total costs to the city departments' budgets through the budget system using the “fringe rate” process. Finally, a spending cap was imposed on the department's adjusted general fund budget to help meet the announced cutbacks in the State's 2004 local government aid funding.

The 2003 round 1 and 2 adjustments affected the base budget for Human Resources. The changes include these notable items:

- the merger of the risk management function into the Office of Human Resources, and
- the elimination of staff positions (6.6 FTE).

Further adjustments were made to the Human Resource's base budget. Specifically:

- increasing the base for salaries and fringes for staff related to the bargaining process,
- removing the budget for the fire fighter test funded in 2003, and
- imposing a spending cap.

Mayor's Recommendations

The proposed general fund budget for Human Resources for 2004 is \$3,010,636, and is down \$781,925, or 20.6% from the 2003 budget of \$3,792,561 (adjusted for risk management). Human Resources has no special fund budgets.

The Mayor recommends a 2004 budget for Human Resources reflecting the 2003 Round 1 and 2 reduction plans.

Some other notable changes for 2004 include:

- the elimination of staff positions (6.3 FTE)
- a shift of the costs of tort liability claims from the non department general government accounts general fund budget into the Human Resources budget,
-

- reflecting Human Resources' share of city-wide budget savings related to the continuation of the hiring freeze into 2004, and a slight cutback in support costs,
- increasing the budget to allow for Fire District Chief and Police exams in 2004 (\$50,000),
- providing funding for the Mayor's Leadership Academy.

The proposed budget reflects the merging of the risk management function into the Office of Human Resources. With the consolidation, funding for some positions has been removed from the budget. Overall, staff position FTEs have decreased from 44.1 in 2003 to 31.2 in 2004, a drop of 12.9 for the combined human resource and risk management units.

Council Actions

The city council adopted the Human Resources budget and recommendations as proposed by the mayor.

Miscellaneous

The Office of Human Resources provides comprehensive services and support to the 12 City of Saint Paul departments and offices and to its 3000 employees. This includes: coordinating city-wide recruitment and assessment; conducting contract negotiations; providing employee and organization development; administering employee benefits, workers' compensation, employee compensation and job classification; providing risk management administration; and promoting a diverse employee workforce.

Recruitment and Selection -

Work with Departments and Offices in planning their staffing needs. Recruit qualified and diverse candidates for City job openings, conduct targeted recruitment, post job announcements, review applications, develop and administer tests. Conduct Workplace Conduct Policy training and investigation. Monitor City workforce protected class utilization/representation.

Systems Development -

Develop organizational capacity by redesigning structures, restructuring jobs, enhancing team and leadership effectiveness, addressing performance management issues, and developing strategic and operational plans. Perform job analyses, establish class specifications as a tool for management, and determine appropriate compensation based on principles of comparable worth. Maintain service records of employees, interpret personnel policies and rules, audit payroll documents to ensure accuracy and compliance with policies.

Labor Relations -

Negotiate and administer all of the collective bargaining agreements between the City and exclusive representatives of the City employees. Represents City management in all facets of labor relations, including arbitrations, bargaining unit determinations, labor management committees, policy development and grievance handling and advises City managers on employee issues such as sick leave, performance and discipline.

Risk Management -

Organize, coordinate, and provide management assistance to all City risk treatment programs. Provide financial and program management of all City employee benefit functions. Identify, measure, analyze and report property, casualty, and liability risks.

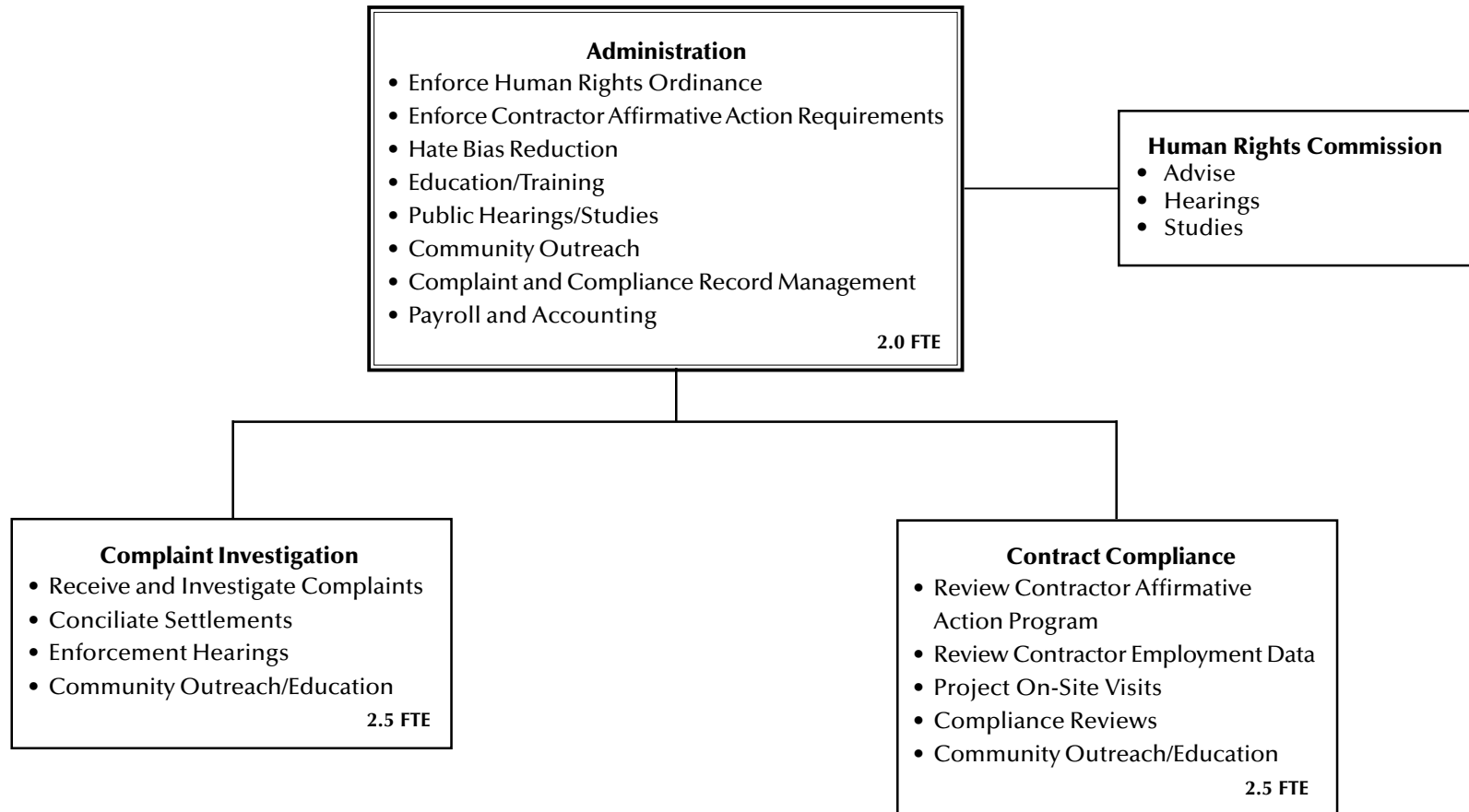
Human Rights

Mission Statement

To prevent and eliminate discrimination by: enforcing the provisions of Chapter 183 of the Saint Paul Legislative Code (Human Rights Ordinance) and its rules governing affirmative requirements in employment; providing educational and training opportunities that enable recipients to create equitable living and working environments; and facilitating collaborations with and between individuals, agencies, and organizations to maximize community resources toward prevention and elimination of prejudice, racism and discrimination.

Human Rights

(Total 7.0 FTEs)



Strategic Plan Accomplishments and 2004 Priorities

Major Accomplishments

- Developed outreach materials in Hmong, Spanish and Somalian.
- Increased outreach efforts with the GBLT community including Twin Cities Pride events and meetings with leadership in the community regarding effective outreach efforts.
- Increased outreach efforts in the Hispanic community with educational materials and housing a staff person at CLUES every Wednesday.
- Outreach to schools in the City of Saint Paul regarding prejudice, racism and discrimination.

2004 Priorities

- Fair Housing Project - Pair-testing, surveying and monitoring of banks and lending institutions on best practices and fair lending practices; Pair-testing, surveying and monitoring of problem rental properties; Outreach and education will continue in a limited capacity in 2004.
- Hate-Bias Incident Response Team Network - Stop Hate! Preventive education and outreach will continue in a limited capacity in 2004.
- Hate-Bias Incident response Team Network - Stop Hate! Collaborative partnerships for on-site intakes at respective community based organizations will continue in a limited capacity and as needed in 2004.

Human Rights

DEPARTMENT/OFFICE DIRECTOR: TYRONE TERRILL

	2001 2ND PRIOR EXP & ENC *	2002 LAST YEAR EXP & ENC *	2003 ADOPTED BUDGET	2004 MAYOR'S PROPOSED	2004 COUNCIL ADOPTED	ADOPTED CHANGE FROM MAYOR'S 2003 PROPOSED ADOPTED
<hr/>						
<u>SPENDING APPROPRIATIONS</u>						
001 GENERAL FUND	838,384	791,510	782,610	532,632	532,632	249,978-
050 SPECIAL PROJECTS:GEN GOV ACCTS FU	68,388	68,371	47,809	47,614	47,614	195-
TOTAL SPENDING BY UNIT	906,772	859,881	830,419	580,246	580,246	250,173-
<hr/>						
<u>SPENDING BY MAJOR OBJECT</u>						
SALARIES	597,357	584,955	568,164	399,958	399,958	168,206-
EMPLOYER FRINGE BENEFITS	176,997	180,599	178,574	135,331	135,331	43,243-
SERVICES	112,544	87,020	74,781	34,657	34,657	40,124-
MATERIALS AND SUPPLIES	13,552	7,307	7,400	8,800	8,800	1,400
MISC TRANSFER CONTINGENCY ETC	1,044		1,500	1,500	1,500	
DEBT						
STREET SEWER BRIDGE ETC IMPROVEMENT						
EQUIPMENT LAND AND BUILDINGS	5,278					
TOTAL SPENDING BY OBJECT	906,772	859,881	830,419	580,246	580,246	250,173-
<hr/>						
	5.2-%		3.4-%	30.1-%		30.1-%
<hr/>						
<u>FINANCING BY MAJOR OBJECT</u>						
GENERAL FUND	838,384	791,510	782,610	532,632	532,632	249,978-
SPECIAL FUNDS						
TAXES						
LICENSES AND PERMITS						
INTERGOVERNMENTAL REVENUE	39,000	22,600	31,200	26,100	26,100	5,100-
FEES, SALES AND SERVICES		170				
ENTERPRISE AND UTILITY REVENUE						
MISCELLANEOUS REVENUE	5,000					
TRANSFERS	27,000	27,000				
FUND BALANCES			16,609	21,514	21,514	4,905
TOTAL FINANCING BY OBJECT	909,384	841,280	830,419	580,246	580,246	250,173-
<hr/>						
	7.5-%		1.3-%	30.1-%		30.1-%

Budget Explanation

Major Changes in Spending and Financing

Creating the 2004 Budget Base

The 2003 adopted budget was adjusted to set the budget base for the year 2004. The permanent budget adjustments made in early 2003 to cope with cutbacks in the State's local government aid payments for 2003 and beyond were annualized for 2004 and reflected in the base budget. In particular, the base budget for each department reflects the "round 1" mid-year budget adjustments as adopted by the City Council, and the "round 2" adjustments as proposed by the Mayor and awaiting council action at the time the 2004 budget planning process began. The budget was increased for the anticipated growth in 2004 for salaries and fringes for staff related to the bargaining process. Employee benefit cost increases were projected and then considered in the process that distributes those total costs to the city departments' budgets through the budget system using the "fringe rate" process.

Mayor's Recommendations

The Mayor recommends a funding level that supports 7 FTEs, a reduction of 3.5 FTEs from the 2003 adopted budget. Although the department's budget has been significantly reduced since 2002, this funding level still provides an enforcement and contract compliance presence.

Council Actions

The city council adopted the Human Rights budget as proposed by the Mayor.

Miscellaneous

Complaint Investigation-Enforcement

It is the public policy of the City, as established in Chapter 183 of the Legislative Code, to foster equal opportunity for all to obtain employment, education, real property, public accommodations, public services, contract and franchise without regard to their race, creed, religion, sex, sexual or affectional orientation, color, national origin, ancestry, familial status, age, disability, marital status or status with regard to public assistance, and strictly in accord with their individual merits as human beings. The department receives and investigates complaints from citizens who believe they have been discriminated against or treated in a manner that violates public policy.

During 2002, the Department handled over 1,600 calls from citizens that alleged discriminatory treatment or questions related to the Ordinance and the Rules. The Department accepted 151 complaints for full investigation.

Equal Employment Opportunity-Affirmative Action Contract Enforcement

The City requires that every contractor, who enters a contractual agreement to do business with the City, be an equal opportunity employer. To this end, contractors and companies should engage in and carry out affirmative action programs to assist protected class persons to become successful participants in the work force.

Every contractor who enters into a contract or agreement with the City to provide goods or services, and whose aggregate contracts total \$50,000 or more during the preceding twelve months, must develop and submit for review and approval by the Human Rights Department, their company's written affirmative action program.

Employment goals to address underutilization of women and minority workers are set for each construction project. The General Contractor for each project must make "good faith efforts" to achieve the utilization goals. The department also monitors supply/service contractors' "good faith efforts" to recruit, hire, promote and retain qualified women and minorities in all levels of employment.

Elimination And Prevention

In 2004, the Department of Human Rights will continue its outreach and education efforts in a limited capacity. It will continue to engage in activities designed to prevent and eliminate prejudice, racism and discrimination, and acts of violence and bias. The dissemination of linguistically and culturally appropriate materials, hosting of workshops and the further implementation of the "Prejudice Isn't Welcome" campaign to educate citizens of the City on issues of prejudice, racism and discrimination will contribute to making our City safer for all its constituents.

The department will also implement marketing and outreach strategies to educate all our diverse communities on how to better access the services provided by the department. The following are marketing and outreach strategies for 2004:

- Giving the department greater visibility within community events by attending at least 50 community events, forums and/or meetings.
- Conduct a minimum of 5 public hearings to gather information on issues of discrimination and racism most relevant to community.
- Execute a department marketing and public relations campaign explaining how to access the services provided by the department.
- Work along with the Saint Paul Public Schools to eliminate prejudice, racism and discrimination in the schools by hosting 15 educational sessions at various schools in the District.
- Liaison with the business community to create employment opportunities for women and minorities through the Construction Partnership Program.

Hate/bias Response Plan

The Department of Human Rights and the Human Rights Commission developed a Hate/Bias Response Plan in 1998. The department and commission are currently working with community groups to implement the Plan to reduce hate/bias incidents and crimes in the City by creating a citywide network to counter hate/bias incidents by providing support and solidarity to victims of hate/bias incidents and to send a clear message that the community of Saint Paul will not tolerate expressions of hate or bias towards any member of the community.

Please contact the Department of Human Rights at 651-266-8966 for information on how you can participate in any of our educational, outreach or pair-testing programs.

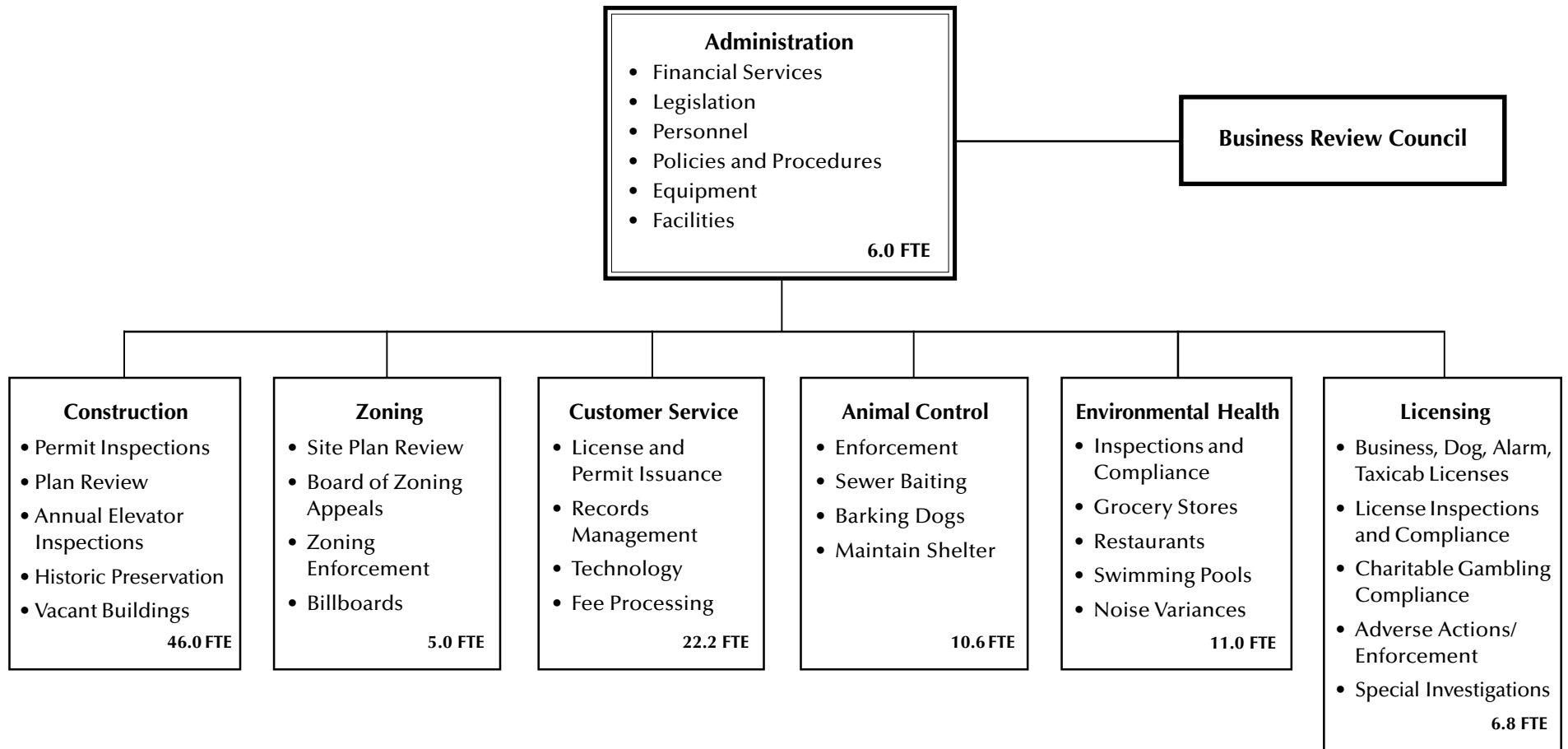
Office of License, Inspections and Environmental Protection

Mission Statement

To set a standard of excellence as a dynamic, and innovative organization that ensures public health and safety and consistently exceeds customer expectations.

License, Inspection, and Environmental Protection

(Total 107.6 FTEs)



Strategic Plan Accomplishments and 2004 Priorities

Major Accomplishments

- Fully implemented the City-State delegation agreement for grocery store inspections and the billboard sign programs in AMANDA. Rewrote the grocery store and restaurant license series to more accurately reflect the current business climate.
- Marketed our Internet services to contractors and citizens at contractor's meetings, Home Tours, Home Improvement Fairs and the State Fair. Added remaining eligible permits to the Internet. Provided more detailed information to our customers.
- Continued noise monitoring of the Gopher State Ethanol Plant. Worked to eliminate several nuisance businesses in an effort to make Saint Paul a more liveable City.
- Listed Food Establishments on the Food Security Alert Network.
- Placed a Police Officer in the Gambling Enforcement Program, providing assurance that charitable gambling profits go to help non-profits and the community they serve.
- Provided internships in both Plan Review and Historic Preservation.
- Proposed and drafted ordinance changes to allow alcohol service at sidewalk cafes other than downtown; and to allow lower license fees for animals that are spayed and neutered.
- Acted as advisor to the University of Minnesota and the Wilder Foundation on prototype for energy efficient, affordable housing.
- Provided computer expertise for the City's Emergency Management Team
- Provided same day inspections to keep projects moving. This benefits contractors, citizens and the general public.
- Absorbed the Zoning Activity into Special Fund 320 to help the General Fund adjust to state LGA cuts.

2004 Priorities

- Improve communications with contractors and the general public by providing the LIEP brochure in Spanish and possibly other languages.
- The Gambling Enforcement Program will fully assume the duties of the 10% Club. Gambling Enforcement will determine which non-profits qualify to receive funds according to state statute and City ordinances and will be responsible for the actual distribution of the funds.
- Fully implement the absorption of the Zoning activity into Special Fund 320, to further lessen dependence on the State LGA.
- Improve revenue streams and reduce dependence on use of special fund balances by implementing new user fees and/or fee increases necessary for revenue to fully cover the cost of the services provided.
- Use AMANDA as a tool to collaborate/partner with Fire and Code Enforcement; add Historic Preservation processes to AMANDA. Users may view inspection results, letters or comments associated with a location, saving time and cutting costs in the General Fund and Special Funds.
- Attempt to maintain same-day service to contractors in spite of reduced staffing.
- Support the University of Minnesota and Wilder Foundation's affordable housing program which is building its first dozen homes in Saint Paul.
- Continue our public education and outreach program to educate contractors and homeowners about construction code requirements. Being proactive results in fewer questions to answer; fewer violations to write, enforce, and reinspect; and fewer corrections. This conserves time and resources to the benefit of both the City and the customer.
- Work toward implementation of full reciprocity between jurisdictions for competency cards.
- Explore the use of administrative processes vs. criminal for citations.
- Train building inspectors to determine soundness of infrastructure in aftermath of terrorist attacks or other disasters.

Licence, Inspections and Environmental Protection

DEPARTMENT/OFFICE DIRECTOR: JANEEN ROSAS

	2001 2ND PRIOR EXP & ENC *	2002 LAST YEAR EXP & ENC *	2003 ADOPTED BUDGET	2004 MAYOR'S PROPOSED	2004 COUNCIL ADOPTED	ADOPTED MAYOR'S PROPOSED	CHANGE FROM 2003 ADOPTED
<hr/>							
<u>SPENDING APPROPRIATIONS</u>							
001 GENERAL FUND	1,383,024	1,267,412	1,267,186	735,975	735,975		531,211-
167 CHARITABLE GAMBLING ENFORCEMENT	317,385	322,488	426,983	375,000	375,176	176	51,807-
320 LICENSE INSPECTIONS & ENV PROTECT	8,250,099	8,671,901	9,199,179	9,603,780	9,627,640	23,860	428,461
TOTAL SPENDING BY UNIT	9,950,508	10,261,801	10,893,348	10,714,755	10,738,791	24,036	154,557-
<hr/>							
<u>SPENDING BY MAJOR OBJECT</u>							
SALARIES	5,813,206	6,140,152	6,574,855	6,212,527	6,212,527		362,328-
EMPLOYER FRINGE BENEFITS	1,984,015	2,162,814	2,287,767	2,314,480	2,314,480		26,713
SERVICES	1,436,440	1,444,916	1,506,743	1,746,695	1,742,911	3,784-	236,168
MATERIALS AND SUPPLIES	293,758	271,895	370,005	260,857	260,857		109,148-
MISC TRANSFER CONTINGENCY ETC	375,535	162,421	84,890	179,547	207,367	27,820	122,477
DEBT							
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS	47,554	79,603	69,088	649	649		68,439-
TOTAL SPENDING BY OBJECT	9,950,508	10,261,801	10,893,348	10,714,755	10,738,791	24,036	154,557-
<hr/>							
		3.1 %	6.2 %	1.6-%	.2 %	.2 %	1.4-%
<u>FINANCING BY MAJOR OBJECT</u>							
GENERAL FUND	1,383,024	1,267,412	1,267,186	735,975	735,975		531,211-
SPECIAL FUNDS							
TAXES							
LICENSES AND PERMITS	6,684,530	7,687,291	8,473,604	8,859,880	8,859,880		386,276
INTERGOVERNMENTAL REVENUE							
FEES, SALES AND SERVICES	869,226	1,133,371	1,049,000	1,211,421	1,211,421		162,421
ENTERPRISE AND UTILITY REVENUE							
MISCELLANEOUS REVENUE	60,214	56,435	34,000	34,000	34,000		
TRANSFERS	1,250	1,000	1,000	1,000	1,000		
FUND BALANCES			68,558	127,521-	103,485-	24,036	172,043-
TOTAL FINANCING BY OBJECT	8,998,244	10,145,509	10,893,348	10,714,755	10,738,791	24,036	154,557-
<hr/>							
		12.7 %	7.4 %	1.6-%	.2 %	.2 %	1.4-%

Budget Explanation

Major Changes in Spending and Financing

Creating the 2004 Budget Base

The 2003 adopted budget was adjusted to set the budget base for the year 2004. The permanent budget reductions made in early 2003 to cope with cutbacks in the State's local government aid payments for 2003 and beyond were annualized for 2004 and reflected in the base budget. In particular, the base budget for each department reflects the "round 1" mid-year budget adjustments as adopted by the City Council, and the "round 2" adjustments as proposed by the Mayor and awaiting council action at the time the 2004 budget planning process began. The budget was increased for the anticipated growth in 2004 for salaries and fringes for staff related to the bargaining process. Employee benefit cost increases were projected and then considered in the process that distributes those total costs to the City departments' budgets through the budget system using the "fringe rate" process. Finally a spending cap was imposed on the department's adjusted general fund budget to help meet the announced cutbacks in the State's 2004 local government aid funding.

Mayor's Recommendations

The Mayor recommends a general fund budget for License, Inspection and Environmental Protection (LIEP) of \$735,975 which is a 41.9% decrease from the 2003 adopted general fund budget. LIEP's total proposed budget, including general and special funds is \$10,714,755.

In addition to the mid-year adjustments adopted in 2003, the 2004 budget recognizes savings in salary dollars by filling one vacancy with multiple part-time staff, designed to maintain the current level of animal control services and flexible service hours with reduced financial resources. The proposed budget includes increases in various permit and license fees in an effort to more fully cover actual costs. In addition, this budget reflects the department's share of city-wide budget savings related to the continuation of the hiring freeze into 2004, and a slight cutback in support costs.

Council Actions

The City Council adopted the License, Inspection and Environmental Protection office budget and recommendations as proposed by the Mayor, and approved the following changes as recommended by the Mayor :

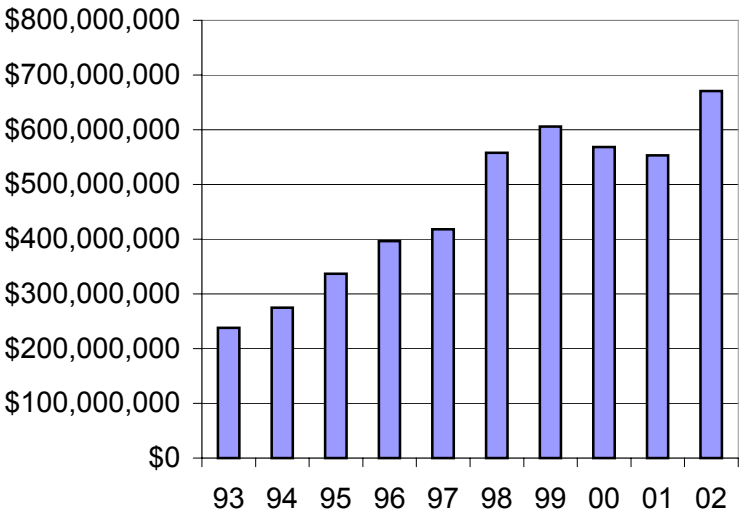
- technical corrections to reflect change in central service costs as a result of changes made in the Mayor's Proposed budget.

The City Council made these further changes:

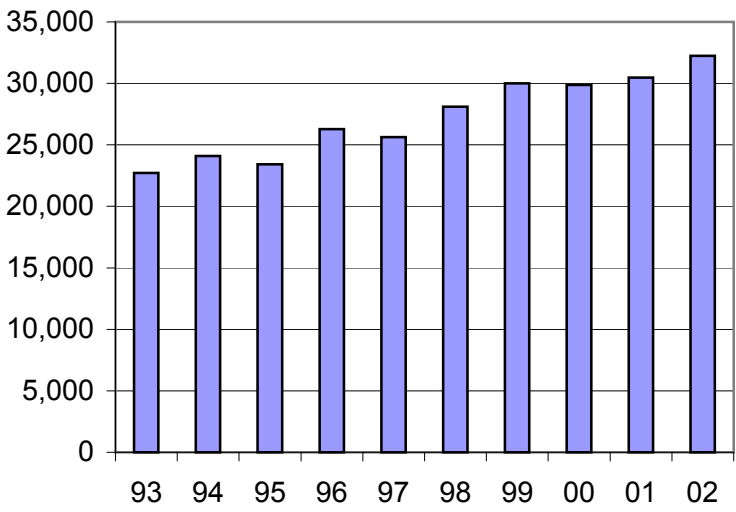
- established council contingency spending to recover costs related to legislative hearings.

Construction in Saint Paul 1993 through 2002

**Construction Valuation in Saint Paul
1993-2002**



**Number of Permits Issued
1993-2002**



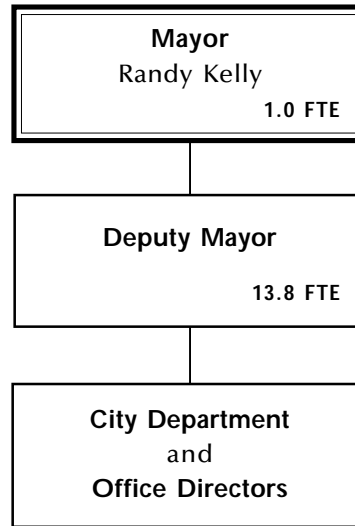
Mayor's Office

Mission Statement

To direct the operation of the City and promote the interests of its citizens and its businesses.

Mayor's Office

(Total 14.8 FTEs)



Strategic Plan Accomplishments and 2004 Priorities

Major Accomplishments

- **State cuts to LGA** When faced with a state budget crisis and expected loss of millions of dollars in Local Government Aid, the City acted swiftly and strategically, making \$13 million in cuts to the 2003 budget and \$20 million in cuts that will carry over to the 2004 budget. By acting quickly and demanding more efficiency in how we do business, we significantly limited employee layoffs and cuts in citizen services.
- **Public Safety** Though \$13 million was cut from the 2003 budget, not one patrol officer or fire fighter was laid off. Additional officers were assigned to the Minnesota Gang Strike Force. A commander also was assigned to work in the Fire Department on Homeland Defense issues.
- **Housing 5000** We exceeded our first-year goal of 1,250 new housing units in our initiative to build 5,000 units of housing in four years. In July, the Housing and Redevelopment Authority approved the purchase of up to 90 acres of land with \$25 million in bonds to clean up and re-sell to private developers, which could generate up to 2,500 new housing units.
- **Bio-tech initiative** One key economic development project is to create a bio-sciences corridor near the University of Minnesota Saint Paul campus. In partnership with the University and private donors, a major step was taken with the City purchase of a building to locate a bio-tech incubator and other bio-tech businesses. It's the first step in bringing thousands of new, high-paying jobs to our area.
- **Targeted economic development assistance** We launched several strategic initiatives to help small and large businesses move to or expand in our City that will further increase our tax base. These initiatives included a city-backed loan program through community banks to assist small minority- and women-owned businesses, and incentives to businesses located outside Saint Paul to move and invest here with high-paying jobs.

2004 Priorities

Despite significant budget challenges, we are on a path to keep Saint Paul affordable, safe and growing by short- and long-term strategic investment in a few targeted areas.

- **Affordability:** For the 11th year in a row, Saint Paul residents will not see an increase in the overall amount collected by City government entities property taxes. We understand that in order to compete for business development and remain desirable for new homeowners and renters we must do all we can to keep out City budget affordable for our taxpayers.
- **Public Safety:** We will continue the commitment to City government's number one priority: public safety. The Police Department will move to a new state-of-the-art police headquarters in October to consolidate communications services and improve operations efficiency. The City is working with Ramsey County and the state to obtain new 800Mgz technology for emergency communication, which could be operational in 2004.
- **Housing 5000:** We will continue to work with our partners to meet our goal to build 5,000 new housing units by the end of 2005. We are capitalizing on a nationwide trend, which is a return to urban core living by two key demographic segments: empty nesters, with significant wealth and disposable income; and young adults, who because of low mortgage rates can own a home for the same cost as renting.
- **Preservation and growth of our tax base:** We must continue to look for and invest in ways to preserve and increase our tax base if we are to continue to provide City services without large increases in property taxes. Key initiatives in the biosciences area and health care will receive priority.
- **Other priorities include:** Promote and develop our arts, culture and entertainment community; continued focus on riverfront development as a key community asset; join with our community partners in marketing the City to the region, state and nation; and cooperate with our partners in education and recruit volunteers to improve reading levels.

Mayor's Office

DEPARTMENT/OFFICE DIRECTOR: DENNIS FLAHERTY

	2001 2ND PRIOR EXP & ENC *	2002 LAST YEAR EXP & ENC *	2003 ADOPTED BUDGET	2004 MAYOR'S PROPOSED	2004 COUNCIL ADOPTED	ADOPTED MAYOR'S PROPOSED	CHANGE FROM 2003 ADOPTED
<u>SPENDING APPROPRIATIONS</u>							
001 GENERAL FUND	1,333,531	1,327,177	1,382,816	1,294,963	1,294,963		87,853-
050 SPECIAL PROJECTS:GEN GOV ACCTS FU	12,896	37,995	20,000	20,000	369,855	349,855	349,855
TOTAL SPENDING BY UNIT	1,346,427	1,365,172	1,402,816	1,314,963	1,664,818	349,855	262,002
<u>SPENDING BY MAJOR OBJECT</u>							
SALARIES	837,805	892,978	931,945	866,246	950,697	84,451	18,752
EMPLOYER FRINGE BENEFITS	246,216	281,201	284,270	278,242	305,761	27,519	21,491
SERVICES	242,271	150,844	163,415	146,789	161,789	15,000	1,626-
MATERIALS AND SUPPLIES	14,540	27,961	16,233	16,233	21,233	5,000	5,000
MISC TRANSFER CONTINGENCY ETC	5,595	12,188	6,953	7,453	225,338	217,885	218,385
DEBT							
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS							
TOTAL SPENDING BY OBJECT	1,346,427	1,365,172	1,402,816	1,314,963	1,664,818	349,855	262,002
		1.4 %	2.8 %	6.3-%	26.6 %	26.6 %	18.7 %
<u>FINANCING BY MAJOR OBJECT</u>							
GENERAL FUND	1,333,531	1,327,177	1,382,816	1,294,963	1,294,963		87,853-
SPECIAL FUNDS							
TAXES							
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE							
FEES, SALES AND SERVICES							
ENTERPRISE AND UTILITY REVENUE							
MISCELLANEOUS REVENUE	12,890	74,500	20,000	20,000	237,885	217,885	217,885
TRANSFERS							
FUND BALANCES					131,970	131,970	131,970
TOTAL FINANCING BY OBJECT	1,346,421	1,401,677	1,402,816	1,314,963	1,664,818	349,855	262,002
		4.1 %	.1 %	6.3-%	26.6 %	26.6 %	18.7 %

Budget Explanation

Major Changes in Spending and Financing

Creating the 2004 Budget Base

The 2003 adopted budget was adjusted to set the budget base for the year 2004. The permanent budget reductions made in early 2003 to cope with cutbacks in the State's local government aid payments for 2003 and beyond were annualized for 2004 and reflected in the base budget. In particular, the base budget for each department reflects the "round 1" mid-year budget adjustments as adopted by the City Council, and the "round 2" adjustments as proposed by the Mayor and awaiting council action at the time the 2004 budget planning process began. The budget was increased for the anticipated growth in 2004 for salaries and fringes for staff related to the bargaining process. Employee benefit cost increases were projected and then considered in the process that distributes those total costs to the City departments' budgets through the budget system using the "fringe rate" process.

Finally a spending cap was imposed on the department's adjusted general fund budget to help meet the announced cutbacks in the State's 2004 local government aid funding.

Mayor's Recommendations

The Mayor recommends a total Mayor's Office budget of \$1,294,963 which is a 6.4% reduction from the 2003 adopted budget. The proposed budget includes new revenue from the receipt of an education grant.

The Mayor's Office budget has been submitted reflecting the 2003 Round 1 and 2 reduction plans. In addition, this budget reflects the department's share of city-wide budget savings related to the continuation of the hiring freeze into 2004, and a slight cutback in support costs.

Council Action

The City Council adopted the Mayor's Office budget and recommendations as proposed by the Mayor, and approved the following changes recommended by the Mayor:

- recognizing grants received and established budgets for 2004 spending associated with the Education Initiative (ServeMinnesota Grant, Federal AmeriCorp/Vista Grant, and St. Paul Companies.)

Tax Dollars And The Services They Buy*

Look what less than a dollar a day can buy from city government!

Any citizen who pays property taxes wonders where the money goes. The pie chart shows how your tax dollars are at work in the community. Consider the property taxes on an average residential property (\$115,000) in Saint Paul. In 2004, the owner will pay about \$1,233 in property taxes. Of that amount \$324, or just 26%, will go to the City of Saint Paul. That's less than a dollar a day.

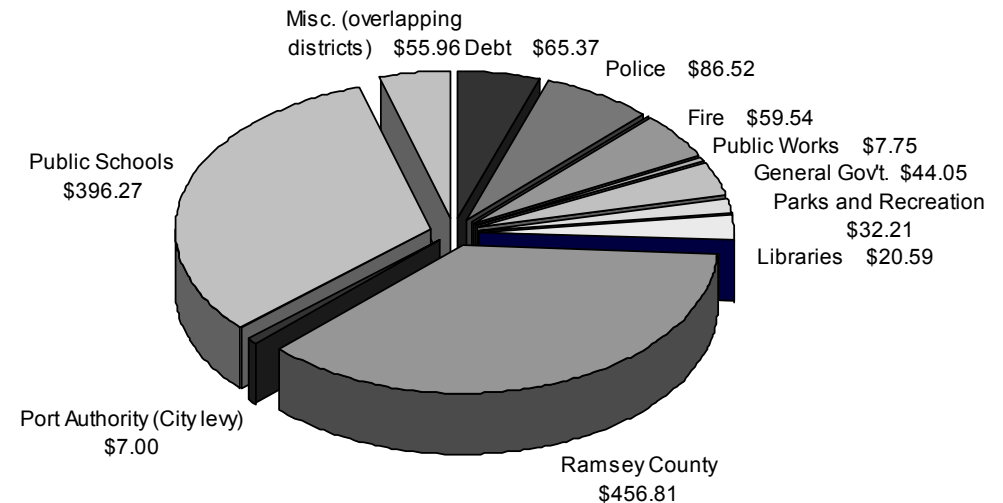
Police and Fire services receive two of the larger portions of your city property tax dollar. For \$87 annually, property taxpayers of an average-priced home are provided with 24-hour law enforcement protection. For \$60 a year, they receive around-the-clock fire and medical response. In addition to their immediate response services, both departments offer invaluable education and prevention programs.

\$65 covers capital debt, the City's annual cost of repaying bonds that finance street construction, new libraries, recreation centers, children's play equipment and other capital improvements made over the last ten years.

\$32 goes to Parks and Recreation to provide a wide array of neighborhood recreational activities and to maintain and improve 42 recreation centers and 4,000+ acres of city park land.

For \$21, the Saint Paul Public Libraries offers taxpayers access to millions of books through the Metropolitan Library Services Association (MLSA) lending system and other library resources at their neighborhood libraries.

Estimated 2004 Saint Paul Property Taxes
Truth in Taxation Rates Applied to a Typical Home Valued at \$115,000



Certified Tax Levies	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Net City Tax Levy	65,283,382	65,008,382	64,358,298	62,736,749	62,393,263	62,393,263	62,393,263	62,393,263	62,393,263	62,393,263	52,690,256
Library Agency**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	9,855,007
Port Authority Levy	1,453,165	1,453,165	1,453,165	1,449,978	1,450,000	1,450,000	1,450,000	1,450,000	1,450,000	1,450,000	1,382,000
Net Tax Levy	66,736,547	66,461,547	65,811,463	64,186,727	63,843,263	63,843,263	63,843,263	63,843,263	63,843,263	63,843,263	63,927,263

* At the time this page was prepared for printing, data on payable 2004 was not yet available, so adopted figures for 2003 were used.

** Libraries became a separate agency (The Library Agency), which was adopted in 2003, and is no longer a part of the City of Saint Paul budget and/or tax levy.

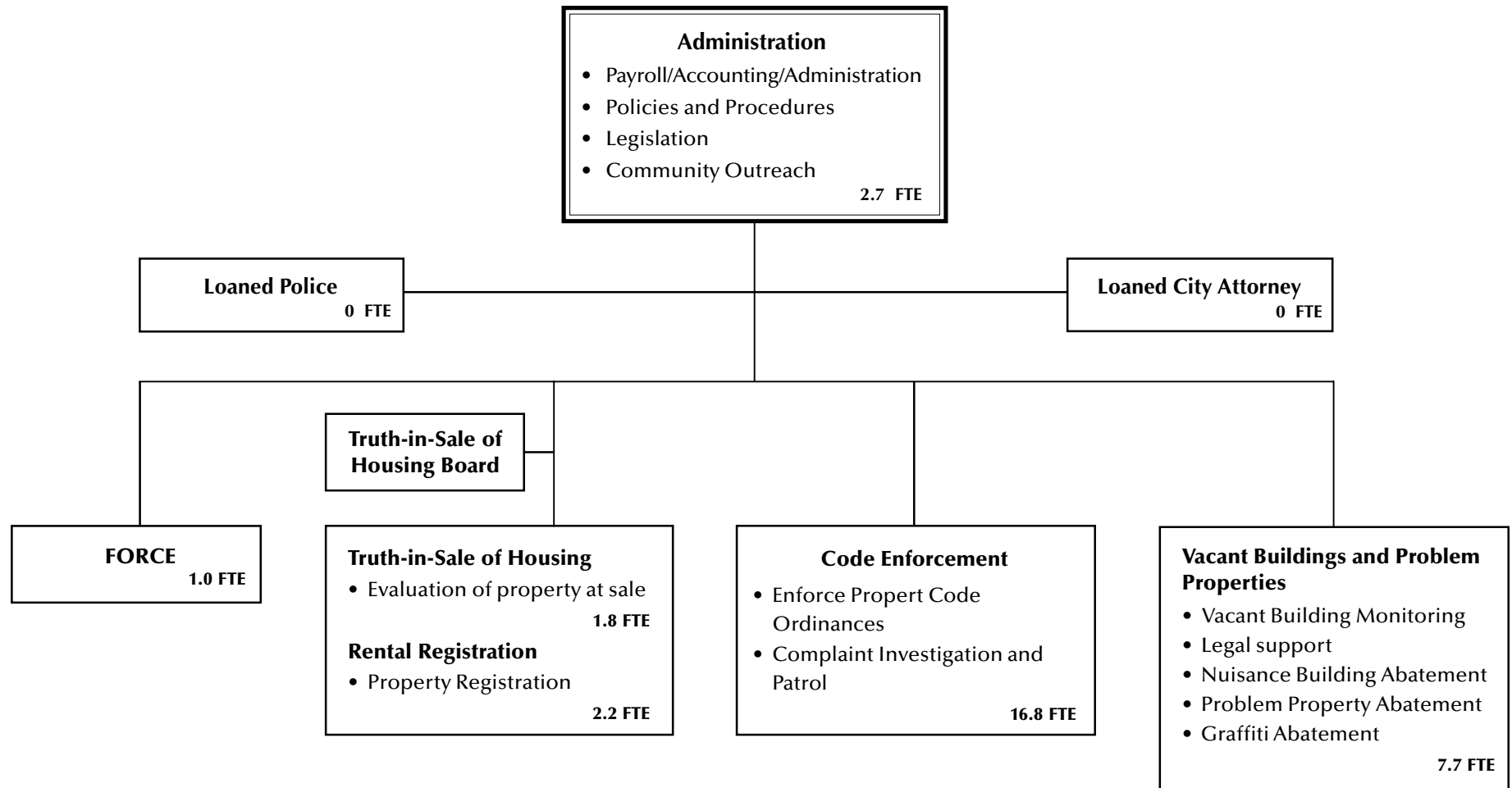
Neighborhood Housing and Property Improvement

Mission Statement

Our mission is (1) to keep the City clean (2) keep the housing habitable and (3) make our neighborhoods as safe and livable as possible.

Neighborhood Housing and Property Improvement

(Total 32.2 FTEs)



Strategic Plan Accomplishments and 2004 Priorities

Major Accomplishments

Neighborhood Housing and Property Improvement Division

- Strategic plan was written and implemented.
- Code Enforcement rules & procedures established.
- “Sweeps” built into routine operations.
- Lobbied for Excessive Consumption billing and state law change.
- Rental Registration deficiencies and opportunities were identified (revocation tool).
- Tenant Remedies Action Initiative created \$200,000 Housing Improvement Revolving Fund Grant.
- Published a brochure, rebuilt web site, and made an investment in mobile units.

2004 Priorities

Neighborhood Housing and Property Improvement Division

- Contract-out code enforcement to suburbs.
- Ordinance change to approve a graduated fee structure for the excessive consumption of code enforcement services.
- Change the City ordinances to: enhance compliance mechanism, tighten up the existing revocation tool, do more interior inspections, add delinquency fees, and authorize the City to recapture revenue.
- Provide neighborhood sweeps and keep swept area clean (voluntary compliance).
- Use of “Resource List” to achieve voluntary compliance as a best practice (develop Cable TV ad).

Neighborhood Housing and Property Improvement

DEPARTMENT/OFFICE DIRECTOR: ANDY DAWKINS

	2001 2ND PRIOR EXP & ENC *	2002 LAST YEAR EXP & ENC *	2003 ADOPTED BUDGET	2004 MAYOR'S PROPOSED	2004 COUNCIL ADOPTED	ADOPTED MAYOR'S PROPOSED	CHANGE FROM 2003 ADOPTED
<u>SPENDING APPROPRIATIONS</u>							
001 GENERAL FUND	2,417,680	2,476,122	2,580,702	2,446,577	2,446,577		134,125-
040 PROPERTY CODE ENFORCEMENT	474,919	575,677	958,572	720,557	748,377	27,820	210,195-
TOTAL SPENDING BY UNIT	2,892,599	3,051,799	3,539,274	3,167,134	3,194,954	27,820	344,320-
<u>SPENDING BY MAJOR OBJECT</u>							
SALARIES	1,528,022	1,500,689	1,705,312	1,671,333	1,671,333		33,979-
EMPLOYER FRINGE BENEFITS	429,116	461,938	510,290	533,052	533,052		22,762
SERVICES	900,426	943,669	1,209,367	738,789	738,789		470,578-
MATERIALS AND SUPPLIES	23,832	143,485	111,960	66,365	66,365		45,595-
MISC TRANSFER CONTINGENCY ETC	11,203	2,018		155,250	183,070	27,820	183,070
DEBT							
STREET SEWER BRIDGE ETC IMPROVEMENT			2,345	2,345	2,345		
EQUIPMENT LAND AND BUILDINGS							
TOTAL SPENDING BY OBJECT	2,892,599	3,051,799	3,539,274	3,167,134	3,194,954	27,820	344,320-
		5.5 %	16.0 %	10.5 %	.9 %	.9 %	9.7 %
<u>FINANCING BY MAJOR OBJECT</u>							
GENERAL FUND	2,417,680	2,476,122	2,580,702	2,446,577	2,446,577		134,125-
SPECIAL FUNDS							
TAXES							
LICENSES AND PERMITS	255	4,485	4,300	4,300	4,300		
INTERGOVERNMENTAL REVENUE							
FEES, SALES AND SERVICES	229,733	232,625	300,300	316,257	316,257		15,957
ENTERPRISE AND UTILITY REVENUE							
MISCELLANEOUS REVENUE		200,000		200,000	200,000		200,000
TRANSFERS	293,074	358,813	653,972	200,000	200,000		453,972-
FUND BALANCES					27,820	27,820	27,820
TOTAL FINANCING BY OBJECT	2,940,742	3,272,045	3,539,274	3,167,134	3,194,954	27,820	344,320-
		11.3 %	8.2 %	10.5 %	.9 %	.9 %	9.7 %

Budget Explanation

Creating the 2004 Budget Base

The permanent budget adjustments made in early 2003 to cope with cutbacks in the State's local government aid payments for 2003 and beyond were annualized for 2004 and reflected in the base budget. In particular, the base budget for each department reflects the "round 1" mid-year budget adjustments as adopted by the City Council, and the "round 2" adjustments as proposed by the Mayor and awaiting council action at the time the 2004 budget planning process began. The budget was increased for the anticipated growth in 2004 for salaries and fringes for staff related to the bargaining process. Employee benefit cost increases were projected and then considered in the process that distributes those total costs to the city departments' budgets through the budget system using the "fringe rate" process. The Neighborhood Housing and Property Improvement budget was adjusted in order to eliminate the one-time cost for a web design consultant. Finally, a spending cap was imposed on the department's adjusted general fund budget.

Mayor's Recommendations

The Neighborhood Housing and Property Improvement (NHPI) budget was recommended as part of the Citizen Services' proposed budget. NHPI's proposed general fund budget for 2004 is \$2,446,577 which is down \$134,125 from the adopted 2003 budget of \$2,580,702. The 2004 proposed budget for NHPI's special funds is \$720,557 compared to the 2003 budget of \$958,572.

The major change to spending is the reduction the office's share of city-wide budget savings related to the continuation of the hiring freeze into 2004, and a slight cutback in support costs. In addition to the above spending recommendations, the tort liability costs are shifted from the General Government Accounts to the department budgets (a zero net change city-wide) in order to more accurately reflect the department's true costs and have the departments help manage tort costs. Budgets for costs for the City's property related system (AMANDA) have also been shifted between NHPI and the Office of Technology's Information Services unit.

The major change to the General Fund financing is increasing the fees for Summary Abatement administration in order to more fully recover the cost of providing code enforcement services and an inflationary increase to the vacant building monitoring fee. For 2004, the City will begin to assess the cost of excessive consumption of code enforcement services (multiple re-inspections). Also recommended is the establishment of a budget for a grant from the Family Housing Fund which will offset the up-front costs of administering the Tenant Remedy Actions program (provision of basic facilities, leasehold improvement expenses and property management).

City Council Actions

The city council adopted the NHPI budget and recommendations as proposed by the mayor, and made these further changes:

- Late in 2003, the creation of a new Department of Neighborhood Housing and Property Improvement was approved by the City Council. The adopted budget reflects that change by transferring the Mayor proposed NHPI division budget from the Citizen Service Office budget to the new NHPI department budget.
- established council contingency spending to recover costs related to legislative hearings.



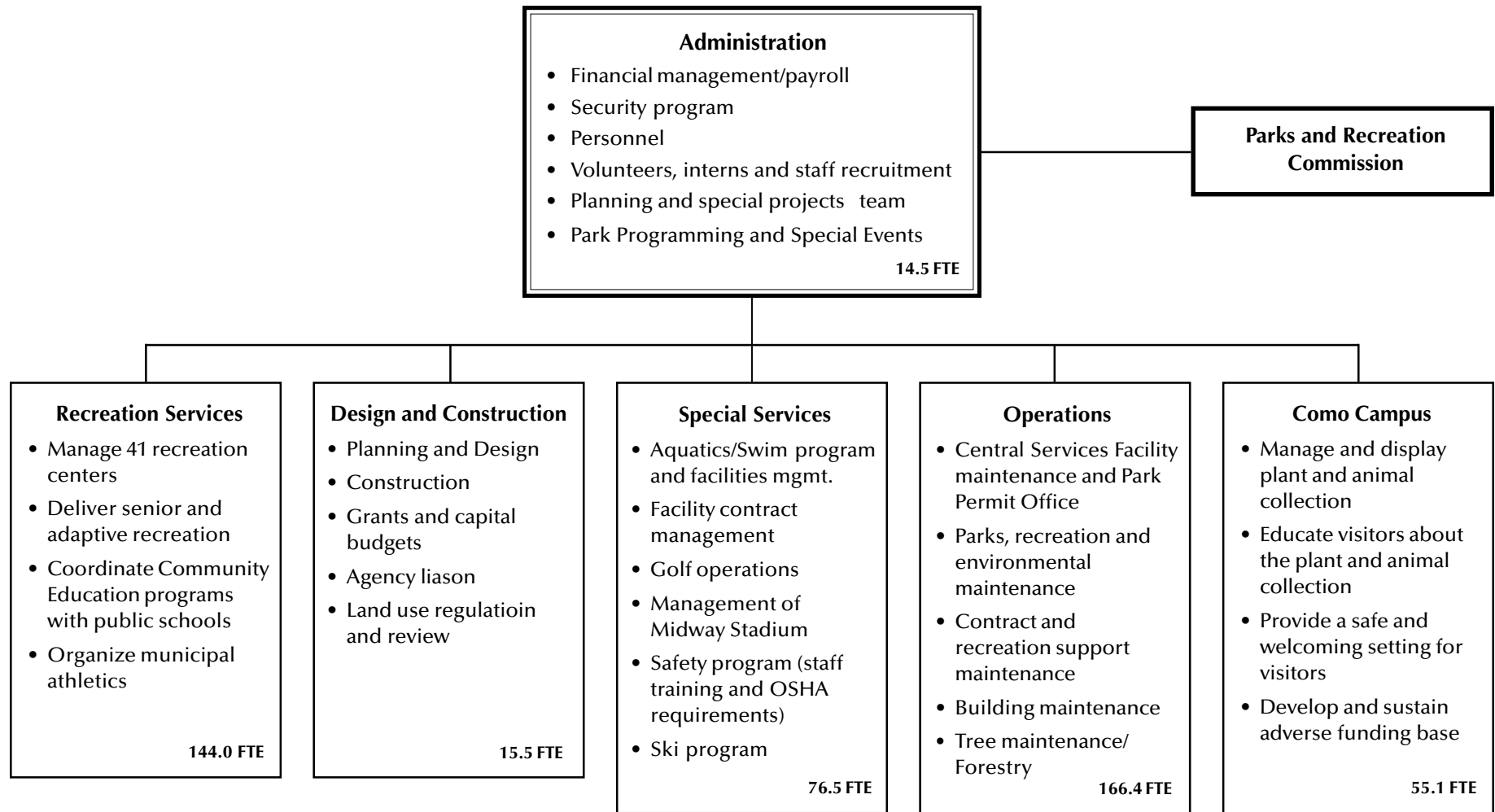
Parks and Recreation

Mission Statement

To enhance the lives of its citizens and visitors, Saint Paul Parks and Recreation will, within available resources, provide and facilitate safe, quality leisure services, programs and facilities while preserving and enhancing natural resources and stimulating the economic vitality of the community.

Parks and Recreation

(Total 472.0 FTEs)



Strategic Plan Accomplishments and 2004 Priorities

Major Accomplishments

Projects under Construction or completed include:

- Reconstruction of Highland Golf Course.
- Education Resource Center (ERC) at Como Campus.
- Renovation of the old zoo building for campus offices.
- Received approval for Sandy Lake Soccer Complex from City of Maplewood.
- Landmark Plaza, a new downtown park area.
- North Dale, Martin Luther King Center, Wilder, and West Minnehaha Recreation Centers.
- Five soccer practice fields at the State Fair Grounds.
- Skate Park at Front Recreation Center.
- Lower Phalen Creek acquisition.
- Trout Brook acquisition.
- Phase three of the Phalen Lakeshore restoration in collaboration with the DNR, Ramsey-Washington Metro Watershed District, Ramsey Soil and Water Conservation District and others.
- Bluff trimming for vista and vegetation management at Prospect Park and Cherokee Boulevard in cooperation with West Side Bluff Task Force.
- Conversion of the vacated old Como Boulevard into green space.

Technology/innovation projects include:

- Load-N-Pack Garbage Collection System, which reduces the number of persons needed to dispose of garbage.
- Maximum Solutions Software which will allow on-line computer registration for lessons, programs, permits, etc.
- Forestry assessment (inventory update), which will help determine the city's liability, and plan future priorities and workload.
- Full implementation of last year's field mechanic pilot project. This is a mentoring program to insure that maintenance standards and proper procedures are followed at recreation centers.
- Continued data collection and mapping through use of GIS. This helps ascertain life expectancy and replacement costs for Parks facilities and equipment for planning purposes and resource management.

Division wide projects include:

- Completed National Accreditation Self Assessment.
- Summer Youth Job Program coordination.
- Restructure of Recreation Services to maximize resources and to be more flexible in meeting the needs of the public; cross train staff to meet demand.
- Updated Annual Report

2004 Priorities

- Complete the Highland 18 hole golf course. Open the driving range in 2004 and implement a marketing plan for a projected 2005 opening of the entire course operation.
- Implement on-line registration for the aquatics program.
- Develop Energy Resource Center Construction and Business Plan.
- Host Star of North Games.
- Implement sponsorship programs.
- Finalize Parks and Recreation Foundation.
- Continue Downtown Planting plan.
- Begin the development of Sandy Lake Soccer Complex.
- Revise Parks and Recreation capital improvement budget process.
- Complete Overlook Park.
- Begin construction of the Paul Wellstone Center.
- Finalize program plan for Jimmy Lee Recreation Center.
- Use Max Solutions for park permits.
- Complete conversion of Parks Worker III's to II's at recreation centers.
- Complete conversion of refuse collection barrels to be compatible with new Load-N-Pack machinery.
- Pursue collaboration opportunities with other city agencies or governments.

Parks and Recreation

DEPARTMENT/OFFICE DIRECTOR: BOB BIERSCHEID

	2001 2ND PRIOR EXP & ENC *	2002 LAST YEAR EXP & ENC *	2003 ADOPTED BUDGET	2004 MAYOR'S PROPOSED	2004 COUNCIL ADOPTED	ADOPTED MAYOR'S PROPOSED	CHANGE FROM 2003 ADOPTED
<u>SPENDING APPROPRIATIONS</u>							
001 GENERAL FUND	24,052,271	24,427,979	22,741,942	21,733,652	21,733,652		1,008,290-
307 COMMUNITY EDUCATION PROGRAM	286,384	304,997	325,942				325,942-
325 P&R SPECIAL SERVICES ENTERP FUND	5,760,946	5,473,367	6,233,990	6,033,828	6,033,828		200,162-
326 RICE AND ARLINGTON SPORTS DOME	843,053	581,295	337,085	339,760	339,760		2,675
330 WATERGATE MARINA ENTERP FUND	6,777	27,667	7,550	7,550	7,550		
334 MIDWAY STADIUM	384,219	355,973	423,363	420,723	420,723		2,640-
361 JAPANESE GARDEN TRUST FUND	3,602	1,425	6,000	1,700	1,700		4,300-
365 PARKS & REC SPEC. PROJECTS FUND	1,223,340	1,122,816	1,443,681	1,554,185	1,554,185		110,504
370 PARKS & REC SUPPLY & MAINTENANCE	664,819	875,526	1,111,597	1,130,585	1,130,585		18,988
375 STREET TREE MAINTENANCE			1,800,000	1,845,000	1,845,000		45,000
380 COMO CAMPUS	1,268,206	1,387,451	1,536,960	1,718,377	1,718,377		181,417
391 SPECIAL RECREATION FUND	39,308	27,972	99,301	950,353	950,353		851,052
394 MUNICIPAL ATHLETIC ASSOCIATIONS'	403,905	382,053	385,070	385,070	626,070	241,000	241,000
398 RECREATION CENTER ENTERPRISE ACCT			100,000				100,000-
399 CHARITABLE GAMBLING DISTRIBUTIONS	97,054	75,948	74,000				74,000-
729 PARKS' OPPORTUNITY FUND			10,000	15,000	15,000		5,000
742 HILLER & LOIS HOFFMAN MEMORIAL			400	300	300		100-
860 PARKS & REC GRANT FUND	2,022,734	1,983,077	1,984,111	1,976,283	1,979,946	3,663	4,165-
TOTAL SPENDING BY UNIT	37,056,618	37,027,546	38,620,992	38,112,366	38,357,029	244,663	263,963-
<u>SPENDING BY MAJOR OBJECT</u>							
SALARIES	18,781,075	19,210,654	19,820,101	19,131,262	19,152,897	21,635	667,204-
EMPLOYER FRINGE BENEFITS	5,216,267	5,581,721	5,923,652	6,029,454	6,036,504	7,050	112,852
SERVICES	5,316,385	4,968,855	4,206,731	4,465,525	4,651,303	185,778	444,572
MATERIALS AND SUPPLIES	4,575,201	4,095,780	4,208,151	3,845,357	3,865,557	20,200	342,594-
MISC TRANSFER CONTINGENCY ETC	1,932,344	1,763,194	2,190,538	2,236,618	2,246,618	10,000	56,080
DEBT	339,712	343,353	337,085	339,760	339,760		2,675
STREET SEWER BRIDGE ETC IMPROVEMENT	319,471	296,444	1,213,644	1,357,800	1,357,800		144,156
EQUIPMENT LAND AND BUILDINGS	576,163	767,545	721,090	706,590	706,590		14,500-
TOTAL SPENDING BY OBJECT	37,056,618	37,027,546	38,620,992	38,112,366	38,357,029	244,663	263,963-
		.1-%	4.3 %	1.3-%	.6 %	.6 %	.7-%
<u>FINANCING BY MAJOR OBJECT</u>							
GENERAL FUND	24,052,271	24,427,979	22,741,942	21,733,652	21,733,652		1,008,290-
<u>SPECIAL FUNDS</u>							
TAXES							
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE	2,019,636	1,728,093	1,875,000	1,575,192	1,575,192		299,808-
FEES, SALES AND SERVICES	2,964,921	2,878,909	3,635,663	3,204,758	3,254,758	50,000	380,905-
ENTERPRISE AND UTILITY REVENUE	6,931,818	6,176,168	5,820,946	6,692,505	6,896,905	204,400	1,075,959
MISCELLANEOUS REVENUE	455,896	553,099	469,800	629,900	629,900		160,100
TRANSFERS	1,809,279	1,448,447	3,975,600	4,110,310	4,110,310		134,710
FUND BALANCES			102,041	166,049	156,312	9,737-	54,271
TOTAL FINANCING BY OBJECT	38,233,821	37,212,695	38,620,992	38,112,366	38,357,029	244,663	263,963-
		2.7-%	3.8 %	1.3-%	.6 %	.6 %	.7-%

Budget Explanation

Major Changes in Spending and Financing

Creating the 2004 Budget Base

The 2003 adopted budget was adjusted to set the budget base for the year 2004. The permanent budget adjustments made in early 2003 to cope with cutbacks in the State's local government aid payments for 2003 and beyond were annualized for 2004 and reflected in the base budget. In particular, the base budget for each department reflects the "round 1" mid-year budget adjustments as adopted by the City Council, and the "round 2" adjustments as proposed by the Mayor and awaiting council action at the time the 2004 budget planning process began. The budget was increased for the anticipated growth in 2004 for staff salaries and fringes related to the bargaining process. The budget was also decreased by \$10,000 for an aquatics study. Finally, a spending cap was imposed on the department's adjusted general fund budget to help meet the announced cutbacks in the State's 2004 local government aid funding.

Mayor's Recommendations

The division of Parks and Recreation's recommended 2004 general fund budget is \$21,733,652, \$1,008,290 (4.4%) less than the 2003 adopted budget, reflecting primarily, the cuts implemented in mid-year 2003. The special funds budgets are \$16,378,714, or \$499,664 greater than 2003. General fund FTEs decrease from 306.8 to 295.2, or 11.6 less. Special fund FTEs increase by 5.3 from 170.7 to 176.0.

The general fund recreation programming budget was reorganized during the 2004 budget process. The recreation programming activity was divided into seven separate budgets to allow supervisors to properly manage their budgets and be responsive to the programming needs of the neighborhoods. Reorganization of several functions resulted in savings of \$95,000. Restructuring of job titles so that the right job titles are assigned to the right tasks, also produced savings.

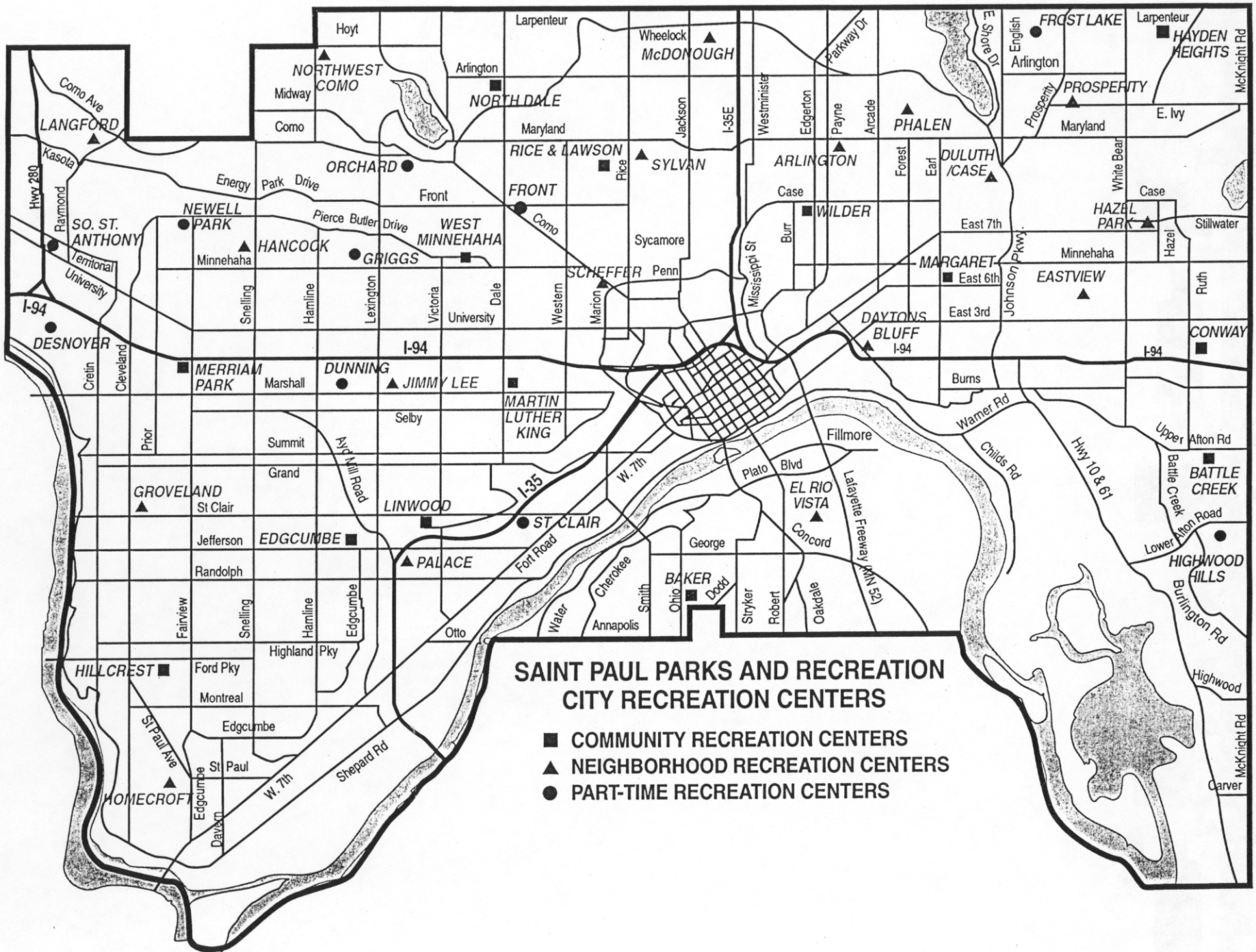
The budget includes funding for both full, and part-time recreation centers, and the Fund 325 special fund budget includes costs for opening the Highland Golf Course driving range. Fund 391 spending increases by \$851,052. This is primarily due to shifting functions that were budgeted in other funds to this fund so that the budget reflects the department's reorganization into recreation service areas.

The recommended budget includes new revenue: \$50,000 from collaborations with community center organizations, \$20,000 from the Wood Recycling Center, \$10,000 from the Showboat for winter theater performance, and \$95,000 from *voluntary* visitor donations at Como Zoo.

Council Actions

The city council adopted the Parks and Recreation budget and recommendations as proposed by the mayor, and approved the following changes recommended by the mayor:

- added \$241,000 in special fund 394 activity 33150, for Star of the North Summer Games.
- added \$3,663 to reflect expenses related to the upgrade of an employee's position, which is funded in special fund 860, activity 33196.



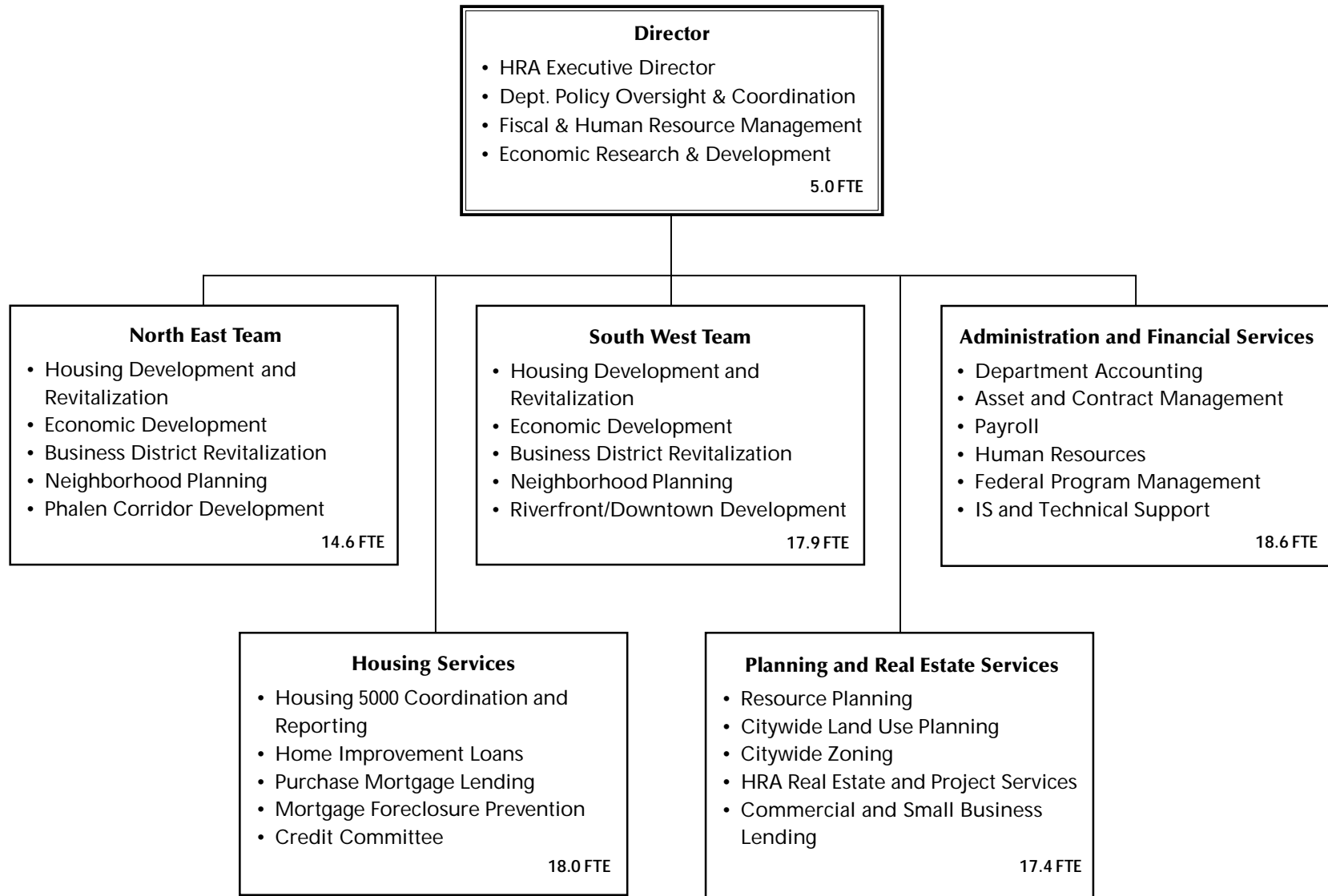
Department of Planning and Economic Development

Mission Statement

In partnership with our community, promote investment and increase value in Saint Paul's housing and economic development initiatives.

Planning and Economic Development

(Total 91.5 FTEs)



Strategic Plan Accomplishments and 2004 Priorities

The Department of Planning and Economic Development (PED)'s mission is to grow jobs and promote investment that maintains and expands Saint Paul's tax base. This is accomplished through the promotion of new housing, strategic commercial and economic development, and careful planning that builds on past accomplishments to define our vision for the future.

2003 ACCOMPLISHMENTS

1. Continued implementation of the Housing 5000 initiative, including establishment of the Land Assembly Plan and expected production of 2,500 new housing units by 12/31/03 (at least 20% of which will be affordable at 50% or less than median household income).
2. Continued investment in public infrastructure and amenities, and private development, in commercial corridors, including MainStreet Initiatives on Payne Avenue, Selby Avenue, and District Del Sol.
3. Established the Strategic Investment Fund, to create financial incentives for healthy, growing companies to relocate to Saint Paul and reduce commercial office vacancies.
4. Promoted the conversion of Class B and Class C downtown office properties to residential use, thereby reducing office vacancies and increasing downtown residents (which will in turn increase demand for retail, hospitality and related services.)
5. Acquired the site for the future University of Minnesota biotechnology incubator, catalyzing private donations and establishing the first anchor for the BioScience Corridor.
6. Completed Traditional Neighborhood Zoning ordinance, which facilitates development of mixed use, pedestrian-oriented neighborhoods and also streamlines and clarifies zoning regulations.
7. Completed Riverview Transit Corridor and District Del Sol long term plans, which reflect the communities' vision for redeveloping underutilized properties in these commercial corridors. Implementation will enhance livability and commercial viability through mixed use neighborhoods and leveraging transportation investments.
8. Rollout of the Minority Business Development and Retention Initiative, including the Socially Responsible Investment Program and creation of a network of community partnerships to increase technical and financial resources for women, minorities, and small businesses.
9. Established the Small Business Expansion Program in partnership with the Community Reinvestment Fund and local lenders. The action has leveraged New Market Tax Credits to create below-market loans in targeted areas.

2004 PRIORITIES

2004 will be an extremely challenging year for PED. In uncertain economic times and facing severe budget cuts at the state and local level, doing more with less, creating partnerships, and innovation has never been more necessary than it will in the coming year. With significantly less human and financial resources, identifying and prioritizing needs, targeting resources, assessing economic impact, and creating partnerships are paramount. PED staff welcome the challenge.

Implementation of the third year of the Housing 5000 Plan, commercial corridor development, and capitalizing on downtown and riverfront opportunities will all move forward. Work with our public, private, and community-based partners will be critical as adopted plans and projects become realities. Outreach to under-represented groups will continue to be a priority, along with simplifying process and procedure. Finally, staff will remain flexible, and be in position to take advantage of new housing, commercial, and economic development opportunities as they arise.

1. Focus economic development activities on increasing investment, promoting partnerships, creating jobs, and sustaining the tax base.
2. Continue implementation of Housing 5000, including production of 3,750 units of new housing by 12/31/04 (20% of which will be affordable), and ongoing investment in existing housing stock.
3. Continue development of key commercial\transportation corridors through concentration of private and public investment in transportation infrastructure, housing and commercial development, and public amenities.
4. Complete development of the University of Minnesota biotechnology incubator and promote development of the new Saint Paul bioscience corridor.
5. Target areas of disinvestment for economic renewal and revitalization.
6. Reclaim brownfield sites into productive residential and commercial properties.
7. Pursue Federal, State and local partnerships, concentrating on higher education and health care.
8. Continue and expand the efforts of the Minority Business Development and Retention and Small Business Expansion Programs.
9. Engage community and business groups, and encourage involvement by all sectors of the community to promote responsible decision making.

Planning and Economic Development

DEPARTMENT/OFFICE DIRECTOR: MARTHA FULLER

	2001 2ND PRIOR EXP & ENC *	2002 LAST YEAR EXP & ENC *	2003 ADOPTED BUDGET	2004 MAYOR'S PROPOSED	2004 COUNCIL ADOPTED	ADOPTED MAYOR'S PROPOSED	CHANGE FROM 2003 ADOPTED
<hr/>							
<u>SPENDING APPROPRIATIONS</u>							
001 GENERAL FUND	1,318,151	1,096,969	1,233,344	108,483	108,483		1,124,861-
100 COMMUNITY DEVELOPMENT BLOCK GRANT	410,086	781,018	11,854,000	11,854,000	11,854,000		
101 NEIGHBORHOOD REVITALIZATION PROG	7,829,253	3,714,622					
108 SECTION 108 PROGRAMS	651,030						
126 PED OPERATIONS FUND	8,059,271	8,947,983	9,163,592	8,596,379	8,719,707	123,328	443,885-
130 PARKING AND TRANSIT FUND	6,166,213	6,542,700					
133 HOUSING INFO OFFICE - PED	201,205	136					
149 CITY DWTN CAPT'L PROJS NOTE REPAY	8,523,737	4,696,174					
345 GOVERNMENTAL EMP & TRNG PROGRAM	487,499						
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TOTAL SPENDING BY UNIT	33,646,445	25,779,602	22,250,936	20,558,862	20,682,190	123,328	1,568,746-
<hr/>							
<u>SPENDING BY MAJOR OBJECT</u>							
SALARIES	5,347,258	5,515,997	5,968,258	5,463,984	5,557,001	93,017	411,257-
EMPLOYER FRINGE BENEFITS	1,592,639	2,162,748	1,823,297	1,774,505	1,804,816	30,311	18,481-
SERVICES	2,034,020	3,746,728	2,212,760	1,286,538	1,286,538		926,222-
MATERIALS AND SUPPLIES	121,017	51,582	64,025	67,500	67,500		3,475
MISC TRANSFER CONTINGENCY ETC	23,924,543	14,223,495	12,162,596	11,951,335	11,951,335		211,261-
DEBT							
STREET SEWER BRIDGE ETC IMPROVEMENT	62,153						
EQUIPMENT LAND AND BUILDINGS	564,815	79,052	20,000	15,000	15,000		5,000-
<hr/>							
TOTAL SPENDING BY OBJECT	33,646,445	25,779,602	22,250,936	20,558,862	20,682,190	123,328	1,568,746-
<hr/>							
		23.4-%	13.7-%	7.6-%	.6 %	.6 %	7.1-%
<hr/>							
<u>FINANCING BY MAJOR OBJECT</u>							
GENERAL FUND	1,318,151	1,096,969	1,233,344	108,483	108,483		1,124,861-
SPECIAL FUNDS							
TAXES							
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE	9,930,275	3,901,629	9,880,000	9,854,000	9,854,000		26,000-
FEES, SALES AND SERVICES	2,354,356	9,625,964	9,137,592	8,596,379	8,713,421	117,042	424,171-
ENTERPRISE AND UTILITY REVENUE	4,204,547		2,000,000	2,000,000	2,000,000		
MISCELLANEOUS REVENUE	182,796	152,657					
TRANSFERS	18,095,502	4,310,443					
FUND BALANCES					6,286	6,286	6,286
<hr/>							
TOTAL FINANCING BY OBJECT	36,085,627	19,087,662	22,250,936	20,558,862	20,682,190	123,328	1,568,746-
<hr/>							
		47.1-%	16.6 %	7.6-%	.6 %	.6 %	7.1-%

Budget Explanation

Major Changes in Spending and Financing

Creating the 2004 Budget Base

The 2003 adopted budget was adjusted to set the budget base for the year 2004. The permanent budget adjustments made in early 2003 to cope with cutbacks in the State's local government aid payments for 2003 and beyond were annualized for 2004 and reflected in the base budget. In particular, the base budget for each department reflects the "round 1" mid-year budget adjustments as adopted by the City Council, and the "round 2" adjustments as proposed by the Mayor and awaiting council action at the time the 2004 budget planning process began. The budget was increased for the anticipated growth in 2004 for salaries and fringes for staff related to the bargaining process. Employee benefit cost increases were projected and then considered in the process that distributes those total costs to the city departments' budgets through the budget system using the "fringe rate" process.

The City's Riverprint Operation was transferred from PED to the Contract and Analysis Section of the Office of Financial Services (OFS), as a result of a joint effort between PED and OFS to house the Riverprint function in a more appropriate city agency. In 2003, the Riverprint annual budget was \$1.4 million, and included 8.8 FTEs.

Mayor's Recommendations

The Mayor recommends eliminating most of the department's remaining general fund appropriation, which had already been significantly reduced in the Round 1 and 2 reduction plans. As a result, the City's General Fund has been eliminated as a financing source to support the PED Operations Fund. This reflects a loss of \$935,861 in financing for the PED Operations Fund, as compared to the adopted 2003 budget. This financing reduction has been resolved primarily through spending cuts. The 2004 proposed FTEs are 90.5, 11.1 fewer than the adopted 2003 budget of 101.6, (excluding the 8.8 RiverPrint FTEs). The department intends to focus the General Fund-supported staffing resources, which were mostly for citywide planning, on project-specific planning activities supported by special funds. This change reflects the budget pressures on the City's General Fund, the completion of several citywide plans, and a desire to increase resources for implementing those plans' economic development components.

Other General Fund changes include shifting the Planning Commission's costs to special funds (mostly zoning fees) and shifting the City's Capital City Partnership contribution to Hotel/Motel tax funding. The department's remaining General Fund appropriation will support a newly created Historic Preservation Intern position, and will repay the Community Development Block Grant program for recovered costs of demolishing vacant and hazardous buildings.

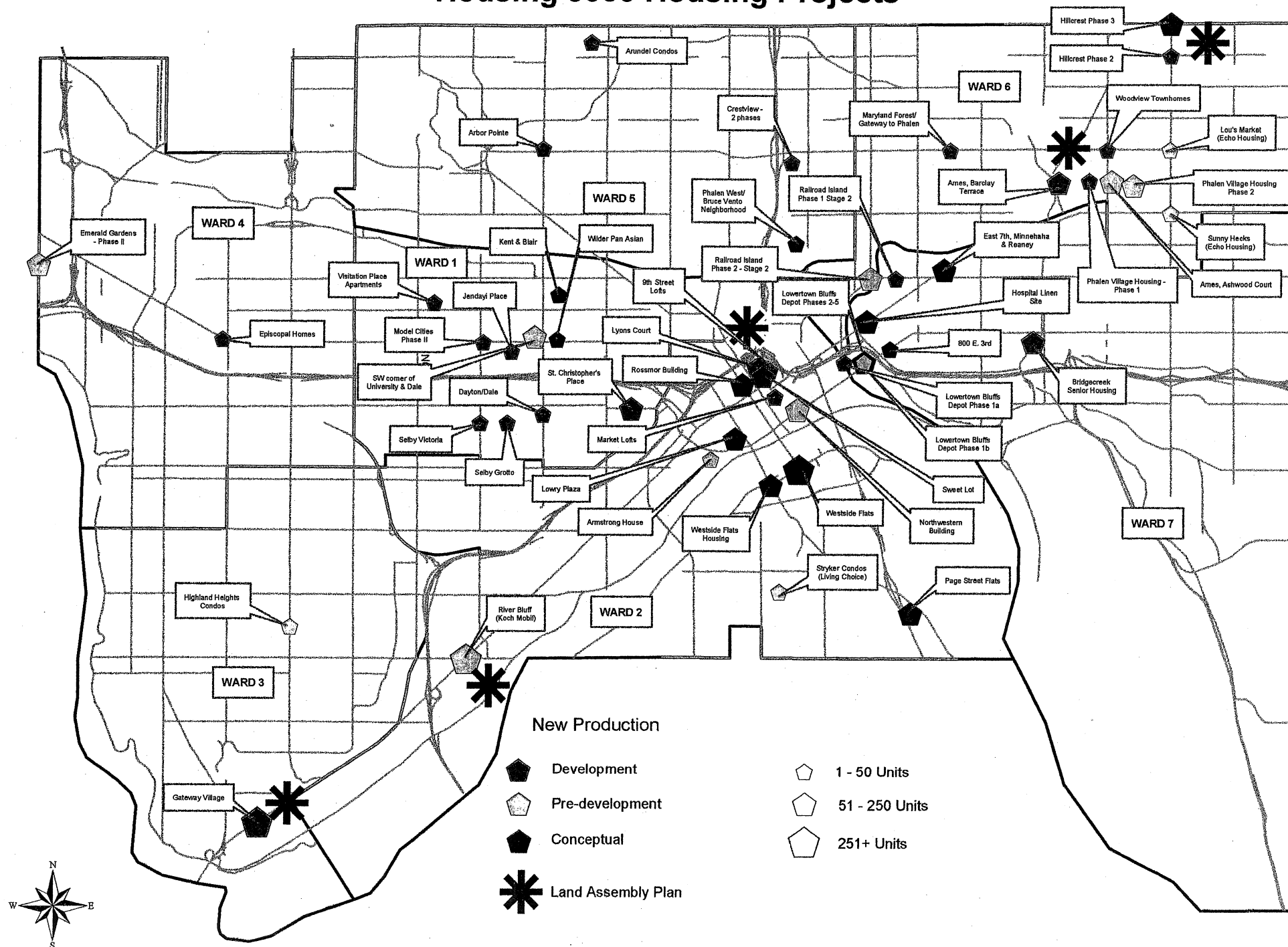
Housing and Redevelopment Authority program funding for the Minority Business Development and Retention Initiative (MBDR) will be maintained at \$250,000 for 2004. Although General Fund funding reductions require elimination of PED's dedicated MBDR staff position, other PED staff will assume internal MBDR outreach and coordination activities.

The City's Community Development Block Grant and program revenue are projected to remain stable.

Council Actions

The city council adopted the Planning and Economic Development budget as proposed by the Mayor, including two technical corrections recommended by the Mayor: the restoration of a Principal Designer position and the promotion of a project manager.

Housing 5000 Housing Projects



as of June 24, 2003

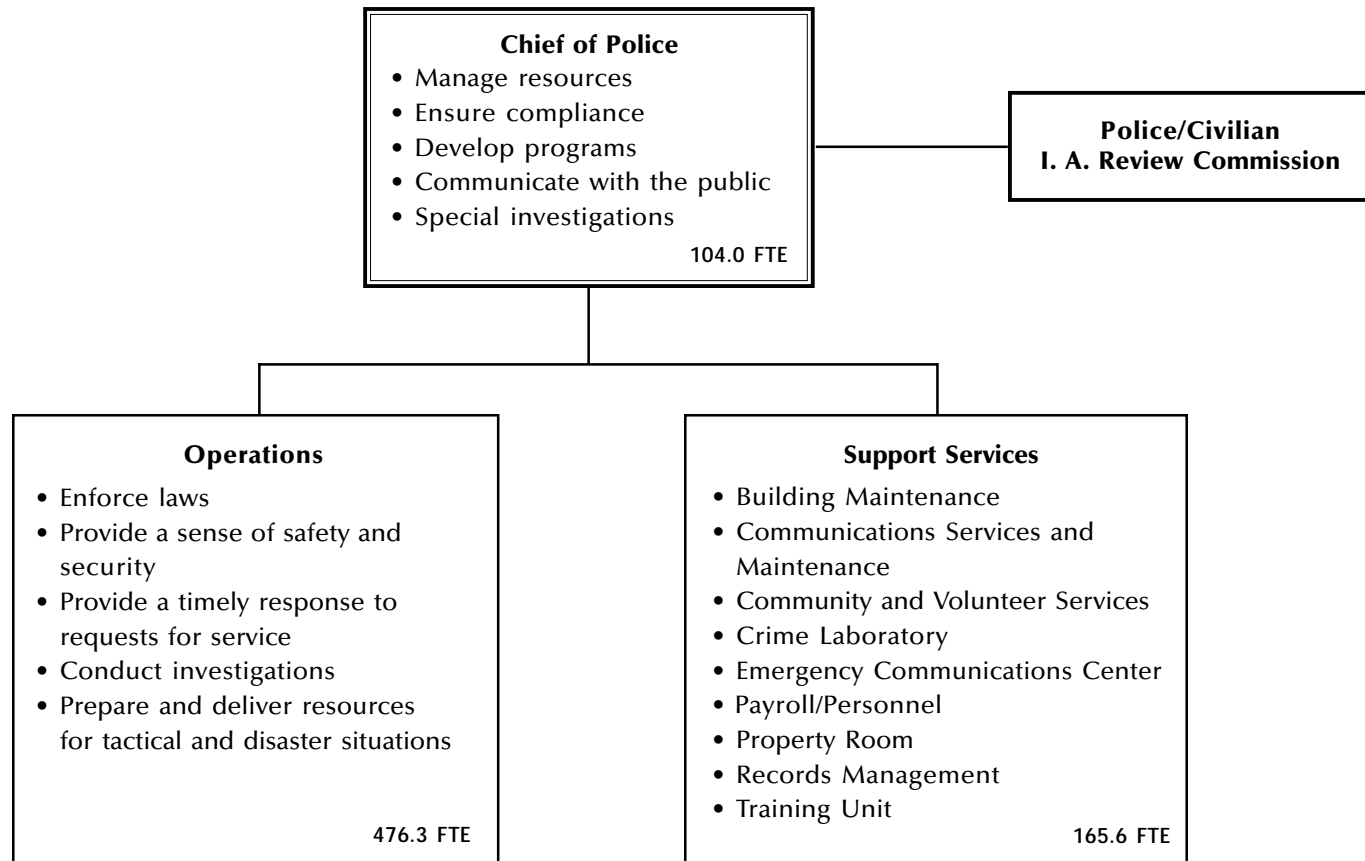
Police Department

Mission Statement

The Saint Paul Police Department's mission is to maintain a climate of safety and security throughout the city. The Police Department will effectively manage its resources to deliver quality services within an atmosphere of individual integrity and mutual respect. Emphasis will be placed on: strong community relations, active assessment of citizen needs for police service, and modifying services, as feasible, to meet the needs of each neighborhood.

Saint Paul Police

(Total 745.9 FTEs)



Strategic Plan Accomplishments and 2004 Priorities

Major Accomplishments

1. The Homicide Unit cleared 100% of their 13 cases.
2. Twenty-seven grants and grant-related contracts were awarded in 2002. These grants, including grant matching funds, totaled \$4,026,765.,
3. The Special Investigations Unit(SIU)/Vice/ Narcotics Unit coordinated the efforts leading to the indictment and conviction of four suspects responsible for the Davisha Gillum homicide. Several other gang members were convicted of various drug offenses as a result of this investigation.
4. On July 11, 2002, the Police Civilian Internal Affairs Review Commission (PCIARC) and the Saint Paul Police Department held a city-wide summit on police/community relations at the Martin Luther King Center in accordance with the National Association of the Advancement of Color People (NAACP) agreement. Kenneth Bergeron, the federal mediator who facilitated the NAACP agreement, was present. This meeting was well attended and a few concerns were raised by attendees.
5. The City of Saint Paul, specifically the Eastern District, had been experiencing a boom in stolen vehicles throughout 2002 and early 2003. The Toyota Camry was the most stolen automobile in 2002. Eastern District staff met and brainstormed, coming up with a number of ideas that would reduce the auto theft statistics. We met with and garnered support from the District Council Crime Prevention Coordinators, the Saint Paul Police Department Auto Theft Unit, and the Minnesota Watch Your Car Program. We provided crime prevention information for community dissemination. We sent letters in four languages (Hmong, Spanish, English, and Somali) to every registered Toyota Camry owner in the city, recommending they take extra precautions. The letter contained information on signing up with the "Watch Your Car Program" and contained a discount coupon provided by the manufacturer for "The Club". We engineered a media campaign providing information about the problem and providing crime prevention information. Outlets which ran stories included The Pioneer Press, the Eastsider, local television news stations, cable television, District council newsletters, and block club flyers. The result of these efforts was significant and thefts of Toyota Camrys decreased 40%.
6. The amount of quality training and education could not be accomplished without the good relationships and active partnerships the Training Unit has developed with community institutions such as Metropolitan State University, the University of St. Thomas, and Century College, among others. For example, the SPPD Training Unit worked with Metropolitan State University in 2002 to develop and implement a law enforcement certificate "Cadet Academy" program for 51 police officer recruits which included 16 Metropolitan State University students. 43 recruits graduated from this cumulative 26-week program in January of 2003.

2004 Priorities

1. As resources allow we will continue to maintain the climate of safety and security the city has enjoyed the last 10 years. Once our budget is established for 2004, the department will develop our priorities in line with the Mayor's priorities as well as meeting our primary goal of public safety.

Police Department

DEPARTMENT/OFFICE DIRECTOR: CHIEF WILLIAM FINNEY

	2001 2ND PRIOR EXP & ENC *	2002 LAST YEAR EXP & ENC *	2003 ADOPTED BUDGET	2004 MAYOR'S PROPOSED	2004 COUNCIL ADOPTED	ADOPTED MAYOR'S PROPOSED	CHANGE FROM 2003 ADOPTED
<hr/>							
<u>SPENDING APPROPRIATIONS</u>							
001 GENERAL FUND	54,044,846	55,356,250	57,873,482	57,872,518	57,884,518	12,000	11,036
400 POLICE SERVICES (PENSION ASSETS)	1,385,091	1,466,159	1,243,007	1,001,144	1,001,144		241,863-
405 CRIME LABORATORY SPECIAL REV FUND	55,902	63,018	75,931	65,094	65,094		10,837-
420 PARKING ENFORCEMENT	972,723	1,004,145	1,149,144	1,193,023	1,403,023	210,000	253,879
435 VEHICLE IMPOUNDING: POLICE LOT	2,079,435	2,247,653	2,600,965	2,678,076	2,678,076		77,111
436 POLICE-SPECIAL PROJECTS	5,009,254	4,821,543	6,661,006	7,053,998	7,248,282	194,284	587,276
733 POLICE OFFICERS CLOTHING TRUST FU	437,713	426,779	474,581	535,589	535,589		61,008
734 CONFISCATED & UNCLAIMED MONIES	43,057		50,000				50,000-
	<hr/>						
TOTAL SPENDING BY UNIT	64,028,021	65,385,547	70,128,116	70,399,442	70,815,726	416,284	687,610
	<hr/>						
<u>SPENDING BY MAJOR OBJECT</u>							
SALARIES	41,672,691	43,094,103	45,184,507	43,815,649	43,896,847	81,198	1,287,660-
EMPLOYER FRINGE BENEFITS	11,590,521	12,449,831	12,878,116	13,430,517	13,459,464	28,947	581,348
SERVICES	4,189,974	4,516,456	5,074,190	4,985,813	5,108,457	122,644	34,267
MATERIALS AND SUPPLIES	2,995,387	2,546,246	3,057,844	2,921,324	2,994,124	72,800	63,720-
MISC TRANSFER CONTINGENCY ETC	1,899,683	1,614,143	1,661,595	2,084,819	2,156,816	71,997	495,221
DEBT				1,255,618	1,295,418	39,800	1,295,418
STREET SEWER BRIDGE ETC IMPROVEMENT	174,473	151,574	233,314	171,796	171,796		61,518-
EQUIPMENT LAND AND BUILDINGS	1,505,292	1,013,194	2,038,550	1,733,906	1,732,804	1,102-	305,746-
	<hr/>						
TOTAL SPENDING BY OBJECT	64,028,021	65,385,547	70,128,116	70,399,442	70,815,726	416,284	687,610
	<hr/>						
		2.1 %	7.3 %	.4 %	.6 %	.6 %	1.0 %
<u>FINANCING BY MAJOR OBJECT</u>							
GENERAL FUND	54,044,846	55,356,250	57,873,482	57,872,518	57,884,518	12,000	11,036
SPECIAL FUNDS							
TAXES							
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE	3,130,487	2,657,758	3,874,329	3,181,674	3,386,962	205,288	487,367-
FEES, SALES AND SERVICES	3,047,750	3,351,649	3,708,445	5,501,314	5,711,314	210,000	2,002,869
ENTERPRISE AND UTILITY REVENUE	24,330	25,570	25,300	20,000	20,000		5,300-
MISCELLANEOUS REVENUE	977,700	803,778	410,616	361,953	358,654	3,299-	51,962-
TRANSFERS	2,246,337	2,313,713	2,576,387	2,132,390	2,124,685	7,705-	451,702-
FUND BALANCES			1,659,557	1,329,593	1,329,593		329,964-
	<hr/>						
TOTAL FINANCING BY OBJECT	63,471,450	64,508,718	70,128,116	70,399,442	70,815,726	416,284	687,610
	<hr/>						
		1.6 %	8.7 %	.4 %	.6 %	.6 %	1.0 %

Budget Explanation

Major Changes in Spending and Financing:

Creating the 2004 Budget Base

The permanent budget adjustments made in early 2003 to cope with cutbacks in the State's local government aid payments for 2003 and beyond were annualized for 2004 and reflected in the base budget. In particular, the base budget for each department reflects the "round 1" mid-year budget adjustments as adopted by the City Council, and the "round 2" adjustments as proposed by the Mayor and awaiting council action at the time the 2004 budget planning process began. The budget was increased for the anticipated growth in 2004 for salaries and fringes for staff related to the bargaining process. Employee benefit cost increases were projected and then considered in the process that distributes those total costs to the city departments' budgets through the budget system using the "fringe rate" process. The Police Department's base budget was adjusted in order to pay for the debt service on the Griffin Building lease. Finally, a spending cap was imposed on the department's adjusted general fund budget.

Mayor Recommendations

The Police Department's proposed general fund budget for 2004 is \$57,872,518 which is down only \$964 from the adopted 2003 budget of \$57,873,482. The 2004 proposed budget for Police's special funds is \$12,526,924 compared to the 2003 budget of \$12,254,634

The major change to spending is reduced city support for the school resource officer program, with the expectation that the independent school district will provide more funding for the program. In addition, this budget reflects the department's share of city-wide budget savings related to the continuation of the hiring freeze into 2004, and a slight cutback in support costs. The Mayor recommends additional funding for the Griffin building debt service budget to match the actual debt service schedule, for inflationary increases for the officer clothing allowance, for continuing to participate in the Minnesota gang strike force, for continuing operating costs at the Tenth Street public safety buildings, and for maintaining three horses for use at special events. In addition to the above spending recommendations, the tort liability costs are shifted from the General Government Accounts to the department budgets (a zero net change city-wide) in order to more accurately reflect the department's true costs and have the departments help manage tort costs.

The major change to the General Fund financing is increasing the fees for the pawn shop transactions fee by \$1.50 (currently at \$1.50) and a more aggressive fee schedule and collection process for false alarms fees. In addition, two new revenues are proposed. The first is having the police department provide professional peace officer education for the metropolitan area. The second is providing the required training to meet the gun permit carry legislation for specific audiences.

Major changes in the financing and spending for the 2004 Police Pension Assets Special Revenue Fund 400:

- A decrease in interest earned on the police pension assets due to the use of these assets for police salaries, severance pay, overtime, and equipment.

Major changes in the financing and spending for the 2004 Crime Lab Special Revenue Fund 405:

- A \$4,330 increase in central service cost.

Major changes in the financing and spending for the 2004 Police Special Projects Special Revenue Fund 420:

- A \$43,192 increase in central service cost.

Major changes in the financing and spending for the 2004 Impound Lot Enterprise Fund 435:

- A financing and spending budget was set up in activity 24051 to record the snow lot revenue and expenditures separately from the main impound lot.
- A \$42,794 increase in central service cost.

Major changes in the financing and spending for the 2004 Police Special Projects Special Revenue Fund 436:

- A \$28,466 increase in central service cost.
- Grants completed in 2003:
 1. Local Law Enforcement Block Grant (LLEBG) VI (activity 34195).
 2. Mobile Crisis Team (activity 34303).
 3. Youth Achiever's Program (activity 34306).
 4. Cops More 1998 (activity 34108).
 5. Promoting Strategies to Reduce Racial Profiling (activity 34059).
 6. Cops Technology 2002 (activity 34060).
 7. Capacity for Community Responsiveness (activity 34061).
 8. State Incentive Grant (activity 34068).
 9. A.C.O.P. (activity 34105).
 10. Cops More II (activity 34153).
- New grants from 2003:
 1. Local Law Enforcement Block Grant (LLEBG) VIII (activity 34197).

Budget Explanation (continued)

Major changes in the financing and spending for the 2004 Police Officer Clothing Special Revenue Fund 733:

- An increase in police officer clothing allowance from \$798.69 to \$936.00 per sworn full-time equivalent (FTE).
- Fund 733 was changed from a trust fund to a special revenue fund in 2002 to comply with the Government Accounting Standards Board (GASB) Statement No. 34.

Trust Fund 734 was changed to an agency fund in 2002 to comply with the Government Accounting Standards Board (GASB) Statement No. 34. A financing and spending budget is no longer needed for Fund 734 since agency funds do not record revenue or expenditures.

City Council Actions

The city council adopted the Police department budget and recommendations as proposed by the mayor, and approved the following changes recommended by the mayor:

- making additional technical changes to revise grant budgets, including the Local Law Enforcement Block grant, the Automobile Theft Prevention Project, the Recruit Community Policing Officers grant, and the 2002 COPS Technology grant.

The City Council made these further changes:

- adding funding to lease a store front space along Rice Street for a police substation.

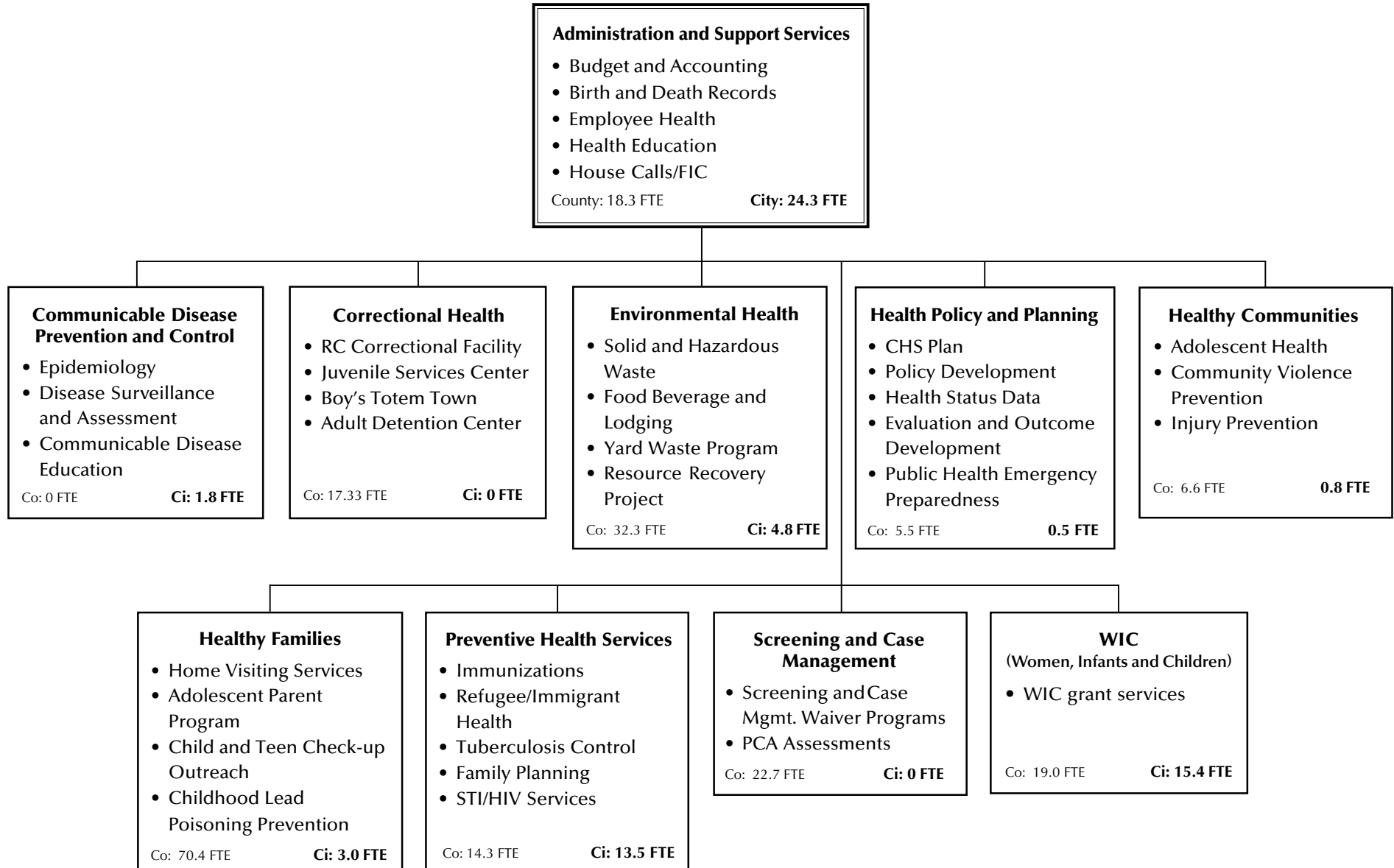
Public Health

Mission Statement

To improve, protect, and promote the health, the environment, and the well being of people in the community.

Saint Paul-Ramsey County Public Health

(Total 270.5 FTEs)



Strategic Plan Accomplishments and 2004 Priorities

Major Accomplishments

In 1997, the City's public health function was merged, through a joint powers agreement, with Ramsey County's. The administration of this function now resides with the County. As resignations or retirements of City staff members occur, the positions are filled by the County. As City employees resign or retire, the City budget shows a decline in FTEs and dollars associated with paying their salary and benefits. Their salary and benefit costs are reimbursed by Ramsey County, and the County is responsible for the portion of the tax levy that covers these expenses.

2004 Priorities

Priorities for the provision of public health services are determined by the Community Health Services Advisory Committee. To accomplish our mission, the Saint Paul-Ramsey County Department of Public Health concentrates its efforts in four areas of strategic focus:

- Prevent communicable diseases
- Promote the health of children, youth and their families
- Protect the environment and reduce environmental health hazards
- Reduce chronic disease

Public Health

DEPARTMENT/OFFICE DIRECTOR: NEAL HOLTAN

	2001 2ND PRIOR EXP & ENC *	2002 LAST YEAR EXP & ENC *	2003 ADOPTED BUDGET	2004 MAYOR'S PROPOSED	2004 COUNCIL ADOPTED	ADOPTED CHANGE FROM MAYOR'S 2003 PROPOSED ADOPTED
<hr/>						
<u>SPENDING APPROPRIATIONS</u>						
304 PUBLIC HEALTH SERVICES	1,320,205	1,452,220	1,571,547	1,748,057	1,748,057	176,510
305 PUBLIC HEALTH SPEC REV FUND	2,821,179	2,662,332	2,635,843	2,422,896	2,422,896	212,947-
<hr/>						
TOTAL SPENDING BY UNIT	4,141,384	4,114,552	4,207,390	4,170,953	4,170,953	36,437-
<hr/>						
<u>SPENDING BY MAJOR OBJECT</u>						
SALARIES	3,181,866	3,132,044	3,222,820	3,145,851	3,145,851	76,969-
EMPLOYER FRINGE BENEFITS	943,930	966,546	984,570	1,025,102	1,025,102	40,532
SERVICES	15,588	15,962				
MATERIALS AND SUPPLIES						
MISC TRANSFER CONTINGENCY ETC						
DEBT						
STREET SEWER BRIDGE ETC IMPROVEMENT						
EQUIPMENT LAND AND BUILDINGS						
<hr/>						
TOTAL SPENDING BY OBJECT	4,141,384	4,114,552	4,207,390	4,170,953	4,170,953	36,437-
<hr/>						
		.6-%	2.3 %	.9-%		.9-%
<hr/>						
<u>FINANCING BY MAJOR OBJECT</u>						
<u>SPECIAL FUNDS</u>						
TAXES						
LICENSES AND PERMITS						
INTERGOVERNMENTAL REVENUE			4,207,390			4,207,390-
FEES, SALES AND SERVICES	4,141,378	4,114,552		4,170,953	4,170,953	4,170,953
ENTERPRISE AND UTILITY REVENUE						
MISCELLANEOUS REVENUE						
TRANSFERS						
FUND BALANCES						
<hr/>						
TOTAL FINANCING BY OBJECT	4,141,378	4,114,552	4,207,390	4,170,953	4,170,953	36,437-
<hr/>						
		.6-%	2.3 %	.9-%		.9-%

Budget Explanation

Major Changes in Spending and Financing

Creating the 2004 Budget Base

The 2003 adopted special funds budgets were adjusted to set the base for the year 2004. They were increased for the anticipated growth in 2004 for salaries and fringes related to the bargaining process.

Mayor's Recommendations

The budget was prepared by the Office of Financial Services based on information from the Saint Paul-Ramsey County Health Department. The mayor recommends accepting the proposal contained in the department's requested budget. The budget reflects the number of employees (64.1 FTEs) who are still on the City's payroll.

Council Actions

The city council adopted the city's health department budget and recommendations as proposed by the mayor.



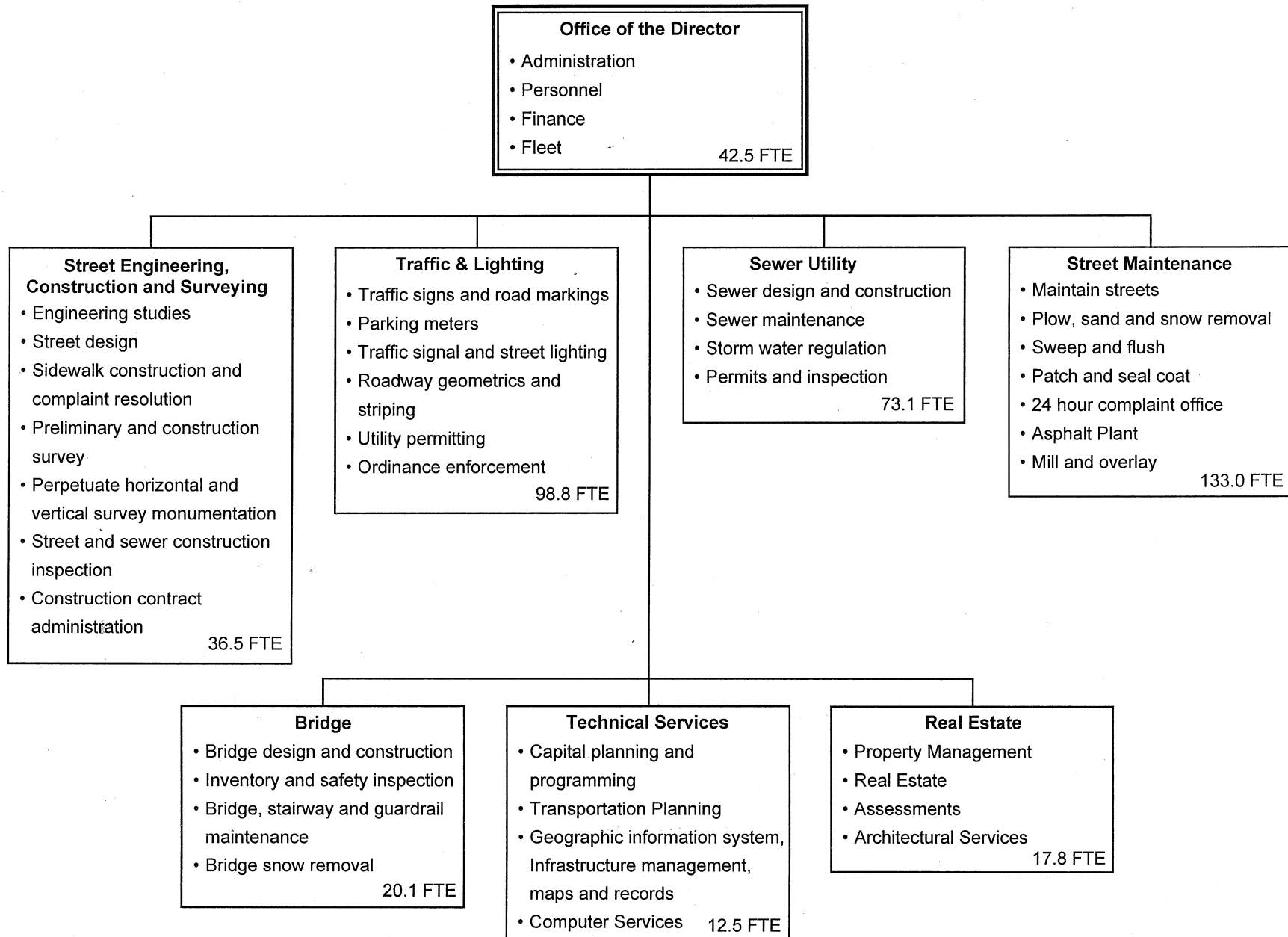
Public Works

Mission Statement

The Department of Public Works exists to provide, control and maintain Public Works facilities.
The Department does this in order to provide basic urban services to its customers: citizens who live, work and visit the City.

Department of Public Works

(Total 434.3 FTEs)



Strategic Plan Accomplishments and 2004 Priorities

Major Accomplishments

- **Completion of Shepard Road** In collaboration with MnDOT and Ramsey County, St. Paul Public Works assembled a creative funding strategy for the completion of Shepard Rd. and put bid solicitation on a fast track. These efforts will allow Shepard/Warner Rd. to be open full length well ahead of the Grand Excursion Celebration in 2004.
- **Blue Collar Supervisor Training Academy** This year, all blue collar supervisors in Public Works completed a comprehensive 7-month training program to better equip them to lead and motivate. The Academy was conducted by St. Paul College (Vo-Tech) and consisted of 15 four-hour segments of both interactive and lecture sessions.
- **2003 RSVP** Three RSVP's will be completed in 2003: Margaret/Atlantic and Edgebrook/Morningside on the East Side; and Wheeler/Iglehart in Merriam Park.
- **Ayd Mill Road Connection to 35E** A one-year test connecting AMR to 35E was successfully concluded in June, 2003. The test involved traffic volume, pollutant and sound monitoring as well as multiple traffic flow experiments.
- **Reduction of Top Management** Top management positions in Public Works have been reduced from 11 to 7 since January, 2002. This has been accomplished by not replacing retirees and through activity/function consolidation.
- **Reductions in Public Works Vehicle Collisions and Employee Injuries** Through intense efforts to promote a safe workplace and safe work practices, the incidence rates of vehicle collisions and personal injuries have fallen dramatically to all time lows, and thus far in 2003, the trend shows even further declines. This rate of success has been attained through active safety committees in each of our Maintenance Divisions as well as monthly review and analysis of all accidents and injuries. Additionally, all employees who drive a vehicle as part of their daily work activities must complete a defensive driving workshop every five years.
- **Sewer Utility Bond Rating** The City of Saint Paul Sewer Utility became the first sewer utility in the United States to be awarded a AAA bond rating by Standard & Poor's Rating Group (S & P) in March 2003. This AAA rating is the culmination of the combined effort of staff, department management, the Mayor's Office and the City Council. S & P's stated reasons for the bond rating include the Utility's strong financial position, manageable debt position and good management of capital needs.

2004 Priorities

- **Implementation of a Comprehensive Maintenance Management System (CMMS)** Public Works is embarking this year upon a major undertaking that will, for the first time, provide us with an easily accessible inventory of all of our infrastructure. The planning and operational implications for this system, once completed, are profound. This system has the potential to revolutionize how we do business and to provide substantiation for capital improvements and infrastructure repair and replacement.
- **Bio-diesel Fuel** In 2004, Public Works will install a 3,000 gallon tank for dispensing bio-diesel fuel. Public Works will be the only purveyor of bio-diesel in the Metro area. In addition, to experimentation with bio-diesel in our City fleet we will also be providing bio-diesel fuel for the Eureka Recycling Fleet.
- **Public Works Involvement with Saint Paul Schools** Beginning in the 2003-2004 school year, Public Works will initiate an employee involvement tutoring program with at least one of our elementary schools.
- **Two Stream Recycling Collection** In 2004, St Paul will embark upon a two-stream recycling collection program, replacing the present three-stream collection. This will make it easier for citizens to sort materials by requiring that the sorting of two groups of materials versus the current three groups. It is anticipated that this will result in an increase in citizen participation.
- **Litter & High Grass** Continuing into 2004 from 2003, Public Works will give high priority and focus of resources on keeping our Public Works right of ways free of litter and high grass. A crew of 16 youth workers will assist our regular employees during the especially critical summer months.
- **Consolidation/Collaborations/Cooperative Ventures** During 2004, Public Works plans to consummate several collaborative ventures now in the planning stage with several other entities including: Minneapolis, St Paul Parks & Recreation, St Paul Water Utility, Ramsey County and the Independent School District.
- **Streamlining the Department of Public Works Organization** In 2004, our efforts to streamline our department organization, particularly at the top, will be concluded. Public Works staffing is down over 25% in the past 10 years, and top management positions in 2004 will be halved from the levels in January, 2002.

Public Works

DEPARTMENT/OFFICE DIRECTOR: ROBERT SANDQUIST

	2001 2ND PRIOR EXP & ENC *	2002 LAST YEAR EXP & ENC *	2003 ADOPTED BUDGET	2004 MAYOR'S PROPOSED	2004 COUNCIL ADOPTED	ADOPTED MAYOR'S PROPOSED	CHANGE FROM 2003 ADOPTED
<u>SPENDING APPROPRIATIONS</u>							
001 GENERAL FUND	9,856,626	9,723,850	6,258,961	5,184,354	5,184,354		1,074,607-
205 PUBLIC WORKS ENGINEERING FUND	4,520,258	4,541,564	8,417,748	7,866,187	7,866,187		551,561-
225 STREET REPAIR AND CLEANING	15,164,611	14,231,336	21,944,622	22,712,431	22,712,431		767,809
230 PARKING METER COLLECTION AND FINE			2,698,459	2,703,070	2,703,070		4,611
231 LIGHTING ASSESSMENT DISTRICTS	118,850	140,855	135,396	135,396	135,396		
232 SOLID WASTE & RECYCLING	2,511,159	2,438,248	2,670,976	2,873,465	2,873,465		202,489
235 RIGHT-OF-WAY	1,880,296	1,759,274					
240 TRAFFIC, SIGNAL, & LGHTG MTCE	6,255,791	6,518,322	8,580,716	8,756,816	8,756,816		176,100
245 ASPHALT PLANT INTERNAL SERVICE	1,992,862	1,464,301	2,542,223	2,557,826	2,557,826		15,603
250 PUBLIC WORKS EQUIPMENT SERVICE	5,417,656	4,620,123	5,541,492	5,607,627	5,607,627		66,135
255 PUB.WKS.ADMIN & SPPT.SERVICES	2,565,497	2,678,372	2,850,284	5,689,350	5,689,350		2,839,066
260 SEWER UTILITY	40,808,087	43,614,047	51,748,995	49,128,700	49,128,700		2,620,295-
TOTAL SPENDING BY UNIT	91,091,693	91,730,292	113,389,872	113,215,222	113,215,222		174,650-
<u>SPENDING BY MAJOR OBJECT</u>							
SALARIES	17,801,850	17,275,271	22,149,405	23,122,945	23,122,945		973,540
EMPLOYER FRINGE BENEFITS	5,493,493	5,708,588	7,063,592	7,770,344	7,770,344		706,752
SERVICES	17,073,518	17,513,909	20,374,111	21,477,190	22,406,023	928,833	2,031,912
MATERIALS AND SUPPLIES	9,371,259	8,083,631	10,978,024	11,336,776	11,336,776		358,752
MISC TRANSFER CONTINGENCY ETC	30,569,417	32,579,225	40,412,813	31,938,071	31,009,238	928,833-	9,403,575-
DEBT	8,409,125	8,763,852	9,037,027	8,495,722	8,495,722		541,305-
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS	2,373,031	1,805,816	3,374,900	9,074,174	9,074,174		5,699,274
TOTAL SPENDING BY OBJECT	91,091,693	91,730,292	113,389,872	113,215,222	113,215,222		174,650-
		.7 %	23.6 %	.2-%			.2-%
<u>FINANCING BY MAJOR OBJECT</u>							
GENERAL FUND	9,856,626	9,723,850	6,258,961	5,184,354	5,184,354		1,074,607-
SPECIAL FUNDS							
TAXES							
LICENSES AND PERMITS	1,068,442	925,534	1,077,500	1,117,500	1,117,500		40,000
INTERGOVERNMENTAL REVENUE	5,589,873	5,737,804	7,462,162	7,570,576	7,570,576		108,414
FEES, SALES AND SERVICES	58,981,576	57,559,034	64,718,120	65,149,512	65,149,512		431,392
ENTERPRISE AND UTILITY REVENUE	92,324	680,308	68,500	68,500	68,500		
MISCELLANEOUS REVENUE	12,710,593	13,144,160	17,893,408	23,768,536	23,417,876	350,660-	5,524,468
TRANSFERS	5,681,551	4,627,537	292,537	699,879	699,879		407,342
FUND BALANCES			15,618,684	9,656,365	10,007,025	350,660	5,611,659-
TOTAL FINANCING BY OBJECT	93,980,985	92,398,227	113,389,872	113,215,222	113,215,222		174,650-
		1.7-%	22.7 %	.2-%			.2-%

Budget Explanation

Major Changes in Spending and Financing

Creating the 2004 Budget Base

The 2003 adopted budget was adjusted to set the budget base for the year 2004. The permanent budget reductions made in early 2003 to cope with cutbacks in the State's local government aid payments for 2003 and beyond were annualized for 2004 and reflected in the base budget. In particular, the base budget for each department reflects the "round 1" mid-year budget adjustments as adopted by the City Council, and the "round 2" adjustments as proposed by the Mayor and awaiting council action at the time the 2004 budget planning process began. The budget was increased for the anticipated growth in 2004 for salaries and fringes for staff related to the bargaining process. Employee benefit cost increases were projected and then considered in the process that distributes those total costs to the City departments' budgets through the budget system using the "fringe rate" process.

Finally a spending cap was imposed on the department's adjusted general fund budget to help meet the announced cutbacks in the State's 2004 local government aid funding.

Mayor's Recommendations

The Mayor recommends a total Public Works budget of \$113,215,222 which includes general fund spending of \$5,184,354 which is a 17.2% reduction from the 2003 general fund adopted budget. The proposed budget includes the second year of the two year phase in of Right-of-Way Maintenance Assessments that were approved for the 2003 budget, as well as increases in sanitary sewer rates and storm sewer charges which have not been increased since 1998. A \$2 per household increase in recycling charges is also proposed to cover the cost of increased services which include weekly two-stream curbside collection of recyclables with plastic bottle recycling beginning in January, 2004.

The Department was required to adjust their general fund budget for 2004, beyond the mid-year 2003 adjustments already taken. Instead of reducing spending, the department has identified increased revenues available from various collaborative efforts and consolidations. The result will be no reduction in service levels.

Council Actions

The City Council adopted the Public Works budget and recommendations as proposed by the Mayor, and approved the following changes:

- shifting various expenditures in Council Contingency for the Computerized Maintenance Management System (CMMS) to the appropriate expenditure codes.

The City Council made these further changes:

- increasing the use of the Street Repair and Cleaning Fund fund balance, and
- implementing the second year of a two year phase-in of the right-of-way assessment program which included making minor adjustments to a few of the rates originally proposed.



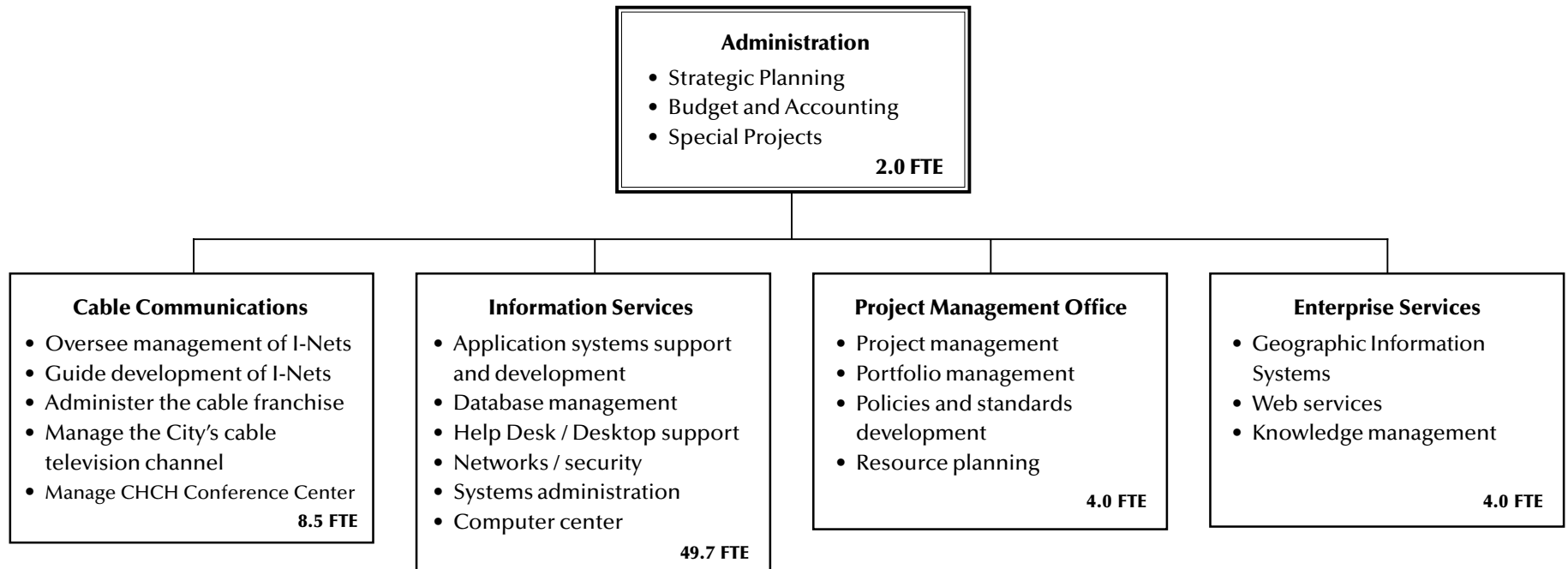
Office of Technology

Mission Statement

Demonstrate leadership, stewardship, and partnership in the use of technology throughout the City to enhance the City's effectiveness in serving the citizens of St. Paul.

Office of Technology

(Total 68.2 FTE)



Strategic Plan Accomplishments and 2004 Priorities

Major Accomplishments

Cable Communications

- ▶ Administered the cable franchise and, as part of that function, negotiated a transfer of the cable franchise to Comcast. Also negotiated a safety review of all subscriber drops to be completed by Comcast by 12/31/03.
- ▶ Negotiated an agreement with the State of Minnesota regarding their use of the fiber I-Net and connectivity to the City Attorney and Police.
- ▶ Launched pilot projects for voice and data using the Fiber I-Net for Como Campus and Regional Water Services, including a Voice Over Internet Protocol project.
- ▶ Received and resolved 150 cable subscriber complaints.
- ▶ Processed 657 Conference Center reservations and cancellations; performed 286 audio/video set-ups and served approximately 24,000 customers.
- ▶ Produced 313 hours of live city and county meeting coverage and 95 other programs. Won a 2002 state award for programming excellence.

Information Services

- ▶ Provided citywide technology management services, including: network, server and desktop support, strategic information planning and policy setting, departmental systems support and other IS consulting services. The City's technology base includes:
 - Over 4,000 hardware units running more than 5,000 software applications on 200 miles of networked cable and wire
 - 35 local area networks (LANS), or host computers, and close to 200 separate computer systems.
 - Two Web servers that process more than 1,000,000 requests per week
 - E-mail addresses for approximately 2,477 city staff.
- ▶ Provided project management and technical expertise for applications development projects including new Workers' Compensation and Green Sheet Tracking systems, Finance system conversion, Police's Records Management System. Also launched Amanda Mobile for Neighborhood Housing and Property Improvement inspectors.

Project Management Office

- ▶ Created a Project Management Office function within the Office of Technology to provide a standard methodology for managing projects.

Enterprise Services

- ▶ Launched the redesign of the city web site in June 2003. The new design emphasizes ease of use for residents, businesses, and visitors and is ADA compliant.

2004 Priorities

Cable Communications

- ▶ Conduct franchise fee audit of Comcast to ensure the City is being paid the proper amount of franchise fees.
- ▶ Continue to increase the quality and use of the Institutional Network (I-Net) so that it effectively replaces telephone lines as a communications medium for data, video, and voice as appropriate. Manage and oversee the development of the Hybrid Fiber Cable (HFC) I-Net and the Fiber I-Net and assisted users in the development of new applications. These networks consist of approximately 200 miles of fiber and coaxial cable, currently serving approximately 95 active city sites and benefitting over 1,350 city employees.
- ▶ Provide video production, meeting cable-coverage, audio-visual support and City Hall-Courthouse Conference Center reservations for the City and County.
- ▶ Act as liaison between the City and the cable company.

Information Services

- ▶ Maintain a healthy technical environment by providing:
 - Adequate funding and support
 - Technical staff deployment and development
 - Commons area support functions.
- ▶ Support city departments in the development and implementation of information technology projects including the Computerized Maintenance Management Systems, migration of the budget system to Oracle, Police's National Incidence Based Reporting System and Ticket Writer system, and expansion of technology support for inspectors and complaint tracking.
- ▶ Continuously look for innovative ways to deliver departmental services.

Project Management Office

- ▶ Work in partnership with department and office directors to identify and implement cost effective technology solutions to support business needs and objectives.
- ▶ Provide training and support for project management processes and best practices.
- ▶ Develop a city-wide IT project portfolio.

Enterprise Services

- ▶ Coordinate Geographic Information System (GIS) use and expansion as a tool to provide improved access to information and services. Implement Address Management solution.
- ▶ Coordinate the city web site management, planning, and expansion of access to information and services.

Office of Technology

DEPARTMENT/OFFICE DIRECTOR: KAREN JOHNSON

	2001 2ND PRIOR EXP & ENC *	2002 LAST YEAR EXP & ENC *	2003 ADOPTED BUDGET	2004 MAYOR'S PROPOSED	2004 COUNCIL ADOPTED	ADOPTED MAYOR'S PROPOSED	CHANGE FROM 2003 ADOPTED
<u>SPENDING APPROPRIATIONS</u>							
001 GENERAL FUND	7,082,695	7,673,408	8,317,695	5,364,433	5,363,083	1,350-	2,954,612-
160 FMS-REAL ESTATE MGMNT FUND	1,729,371	1,587,003	1,937,235				1,937,235-
164 INFO SERVICES INTERNAL SERVICES F			170,000	170,000	170,000		
166 CABLE COMMUNICATIONS SPEC REV FUN	1,654,831	2,369,163	2,352,679	1,896,423	1,896,423		456,256-
626 CITY-WIDE DATA PROCESSING	903,983	971,253	1,024,173	1,525,463	1,525,463		501,290
TOTAL SPENDING BY UNIT	11,370,880	12,600,827	13,801,782	8,956,319	8,954,969	1,350-	4,846,813-
<u>SPENDING BY MAJOR OBJECT</u>							
SALARIES	4,850,260	5,305,171	5,947,671	4,052,001	4,052,001		1,895,670-
EMPLOYER FRINGE BENEFITS	1,425,702	1,651,155	1,810,838	1,314,608	1,314,608		496,230-
SERVICES	2,919,719	3,012,636	3,257,925	2,066,823	2,065,473	1,350-	1,192,452-
MATERIALS AND SUPPLIES	722,493	672,116	393,692	128,472	128,472		265,220-
MISC TRANSFER CONTINGENCY ETC	1,041,469	1,568,883	1,786,735	1,286,192	1,286,192		500,543-
DEBT	158,535	153,063	253,017				253,017-
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS	252,702	237,803	351,904	108,223	108,223		243,681-
TOTAL SPENDING BY OBJECT	11,370,880	12,600,827	13,801,782	8,956,319	8,954,969	1,350-	4,846,813-
		10.8 %	9.5 %	35.1 %			35.1 %
<u>FINANCING BY MAJOR OBJECT</u>							
GENERAL FUND	7,082,695	7,673,408	8,317,695	5,364,433	5,363,083	1,350-	2,954,612-
SPECIAL FUNDS							
TAXES	1,673,278	1,713,212	1,650,000	1,700,000	1,700,000		50,000
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE							
FEES, SALES AND SERVICES	1,380,259	1,717,053	1,577,752	1,609,763	1,609,763		32,011
ENTERPRISE AND UTILITY REVENUE							
MISCELLANEOUS REVENUE	2,137,009	1,609,497	1,719,117	237,123	237,123		1,481,994-
TRANSFERS	31,517		114,576				114,576-
FUND BALANCES			422,642	45,000	45,000		377,642-
TOTAL FINANCING BY OBJECT	12,304,758	12,713,170	13,801,782	8,956,319	8,954,969	1,350-	4,846,813-
		3.3 %	8.6 %	35.1 %			35.1 %

Budget Explanation

Major Changes in Spending and Financing

Creating the 2004 Budget Base

The 2003 adopted budget was adjusted to set the budget base for the year 2004. The permanent budget adjustments made in early 2003 to cope with cutbacks in the State's local government aid payments for 2003 and beyond were annualized for 2004 and reflected in the base budget. In particular, the base budget for each department reflects the "round 1" mid-year budget adjustments as adopted by the City Council, and the "round 2" adjustments as proposed by the Mayor and awaiting council action at the time the 2004 budget planning process began. The budget was increased for the anticipated growth in 2004 for salaries and fringes for staff related to the bargaining process. Employee benefit cost increases were projected and then considered in the process that distributes those total costs to the city departments' budgets through the budget system using the "fringe rate" process.

Mayor's Recommendations

The former Department of Technology and Management Services has been re-organized to strengthen its focus on technology issues. The Contracts and Analysis, Real Estate, and Risk Management divisions were moved to other departments. Additions to the budget include transfer of the city web master position from Public Works to the Office of Technology, and \$84,000 of above-base requests for new servers and desktop application upgrades.

The current cable franchise revenue projection shows a small increase, based on rate increases, new service offerings, and a small decline in overall subscriber numbers. The City receives an annual \$50,000 capital public, educational and governmental (PEG) grant from Comcast. In the past this money has been allocated to the St. Paul Neighborhood Network, but in 2004 these funds will be used for City video equipment and I-Net needs, which is allowable under the franchise.

With the new St. Paul Public Library Agency's creation, five IS staff who support Libraries are transferred from the IS Division's General Fund budget to its special fund budget. The Library Agency will reimburse the City for this staff's salary and fringe benefit costs.

Council Actions

The city council adopted the Office of Technology budget as proposed by the Mayor, including one technical corrections recommended by the Mayor: a \$1,350 reduction for the AMANDA system to reflect lower costs for the Fire Department's licenses.



Appendix

Council Action Adopting the City Property Tax Levy

Council File # 03-1086
Green Sheet # 3008796

18

RESOLUTION

CITY OF SAINT PAUL, MINNESOTA

Presented By: Lee Ny

Referred To: _____ Committee: _____ Date: _____

1 WHEREAS, the Mayor, pursuant to the City Charter has proposed and recommended the 2004 budgets for the City of Saint
2 Paul, and
3
4 WHEREAS, the proposed 2004 General and General Debt Service budgets have been reviewed and approved or amended by
5 Council, and
6
7 WHEREAS, the City is required under Laws of Minnesota 2002, Chapter 390, Sec. 37, to levy a tax at the Library Board's
8 request, which the Library Board has made, and
9
10 WHEREAS, the property tax levy needed to finance those budgets, with allowance for shrinkage, has been determined, and
11
12 WHEREAS, the Port Authority of the City of Saint Paul requests a property tax levy to finance economic development
13 budgets under laws of Minnesota, Chapters 469.053 subd 4, and 6,
14
15 NOW THEREFORE BE IT RESOLVED, the City Council in anticipation of adopting General Fund, General Debt Service, and Library
16 Agency budgets for the fiscal year 2004 in accordance with section 11.04 of the City Charter, the City Council does hereby
17 levy taxes on all taxable property within the Saint Paul corporate limits, to be collected in the amounts set forth below, and
18
19 BE IT FURTHER RESOLVED, the City Council directs the City Clerk to forward this resolution to the Ramsey County
20 Department of Taxation in accordance with the applicable provisions of the City Charter and other laws, and
21
22 BE IT FURTHER RESOLVED, the City Council directs the Financial Services Office to complete and forward any state forms
23 required identifying these adopted levies;
24
25
26
27

Description	Tax Levy Payable in 2003	Tax Levy Payable in 2004	% Change
City levy for city operations and shrinkage	43,854,868	42,427,358	-2.59%
City levy for Debt Service and shrinkage	18,838,355	10,262,886	-45.52%
City levy for Library Agency operations and shrinkage	0	\$,855,007	Not Appl.
City levy for Port Authority levy per Mn. Stat. 469.053	1,450,000	1,382,000	-4.69%
	63,343,263	63,927,263	0.13%

	Yea	Nay	Absent
Benarav	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Blaney	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bostrom	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Colman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Harris	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Helgen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lantry	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Adopted by Council: Date December 17, 2003

Adoption Certified by Council Secretary:

By: Mary Erickson

Approved by Mayor: Date 12-19-03

By: Kenney J. Fisher

Requested by Department of:

Executive Administration

By: Matt Smith

Approval Recommended by Director of Financial Services

By: Cliff Smith

Form Approved by City Attorney:

By: W. H. Smith

Approved by Mayor for Submission to Council:

By: Kenney J. Fisher

Printed by the Saint Paul Office of Financial Services Q:\FINANCIAL\2004\Council\Levy\Resolution.doc 12/18/03

Council Action Adopting the City Budget (page 1)

Council Action Adopting the City Budget (page 2)

Council File # **03-1087**
Green Sheet # **3008676**

RESOLUTION CITY OF SAINT PAUL, MINNESOTA

19

Presented By: *Jim Hickey*
Referred To: _____ Committee: _____ Date: _____

- 1 WHEREAS, the Mayor has proposed budgets for the City of Saint Paul for the fiscal year beginning January 1, 2004, in accordance with
2 the City Charter and Chapter 56 of the Administrative Code; and
3
4 WHEREAS, the City Council, after publication of the notice in the newspaper on December 2, 2003, participated in a public hearing on
5 December 9, 2003, on the Mayor's Proposed 2004 budgets, as required by the City Charter and applicable state and Federal laws; and
6
7 WHEREAS, the Council has revised the Mayor's proposed budgets as herein set forth; now therefore be it
8
9 RESOLVED, that in accordance with the procedures and requirements set forth in the City Charter and other laws applicable thereto,
10 the Council of the City of Saint Paul does hereby adopt the 2004 budgets as proposed by the Mayor with such monetary changes, additions
11 and deletions as are hereby adopted and which, along with total budgets, are set forth on the attachments to this resolution; and be it
12
13 FURTHER RESOLVED, that the expenditures in dollars as may be made by the several offices, departments, bureaus, and agencies of
14 city government during the fiscal year 2004 shall be, and are hereby approved, and adoption of these budgets shall constitute
15 appropriations of the money amounts as set at the department budget total in the General Fund budget, the project total in the Capital
16 Improvements budget, and the fund budget total in all other cases.
17
18 FURTHER RESOLVED, that the estimated financing set forth in the 2004 adopted budgets is hereby approved; and be it
19
20 FURTHER RESOLVED, that the adoption of the 2004 budget for the Community Development Block Grant Fund (100)
21 is a multi-year budget based on estimates for a grant which has a fiscal period that differs from the City's
22 normal budget year (January 1 through December 31); the authority to implement this adopted multi-year budget
23 commences only at the beginning of the grant period and shall extend beyond December 31, 2004, through the end of the grant period
24 and; during the year when the grant is accepted by the City Council, the budget will be amended to match the actual grant
25 amount for the entire multi-year period; and be it
26
27 FURTHER RESOLVED, that the City Clerk is directed to publish the 2004 budget summary pursuant to Minnesota Statutes section
28 471.6955 in the format prescribed by the Office of the State Auditor; and be it
29
30 FINALLY RESOLVED, that the Director of Financial Services be and is hereby authorized to prepare the final 2004 Budgets in accordance
31 with the actions taken herein and to equalize, balance or set the final department revenue sources and department appropriations as
32 necessary.

	Yeas	Nays	Absent
Banasav			
Blakey	✓		
Bostrom	✓		
Coleman	✓		
Harris	✓		
Helgen	✓		
Lantry	✓		

Adopted by Council: Date Dec. 17, 2003

Adoption Certified by Council Secretary:

By: *Mary Erickson*

Approved by Mayor: Date 12-24-03

By: *Kenneth F. Huber*

Requested by Department of:

Executive Administration

By: Matt Smith

Approval Recommended by Director of Financial Services

By: *Flatt*

Form Approved by City Attorney:

By: *Miss A. Keith*

Approved by Mayor for Submission to Council:

By: *Kenneth F. Huber*

Prepared by the Saint Paul Office of Financial Services (G:\Share\Budget\2004\Council\resbud.cil 12/04/03)

03-1087

2004 Budget Process

12/17/03 3:00 PM FINAL

Council's Fiscal Changes General Fund and Debt Funds

Description	Source of Recommendation	Change from Mayor's - Adopted by Council		
		Line Item	Spending	Financing
City Attorney No changes to Mayor's Proposed Budget	City Council 12/03/03			
Citizen Services Move NHPI spending budget to new NHPI budget Move NHPI financing budget to new NHPI budget	City Council, 11/26/03, Tech Change City Council, 11/26/03, Tech Change	00256-00258 00256-00258	(2,446,577)	(942,050)
City Council Add funding in contingency related to full-time director position	City Council, 12/03/03	00001	130,000	
Office of Financial Services Adjustment to Central Service Costs Fin. (from LIEP - \$3784 & Parks +\$1267 +\$1,100 Vend. Outrch)	City Council, 11/26/03, Tech Change	00000-7399		(1,417)
Fire and Safety Services Adjustment in Amanda funding anticipated in the proposed budget (see Technology)	City Council, 11/26/03, Tech Change	05110 - 0235	1,350	
Human Resources No changes to Mayor's Proposed Budget				
Human Rights No changes to Mayor's Proposed Budget	City Council 12/03/03			
Libraries See Public Library Agency				
License, Inspection and Environmental Protection No changes to Mayor's Proposed Budget	City Council 12/03/03			
Mayor's Office No changes to Mayor's Proposed Budget	City Council 12/03/03			
Neighborhood Housing and Property Improvement New NHPI spending budget from CSO budget New NHPI financing budget from CSO budget	City Council, 11/26/03, Tech Change City Council, 11/26/03, Tech Change		2,446,577	942,050
Parks and Recreation No changes to Mayor's Proposed Budget	City Council 12/03/03			
Planning & Economic Development No changes to Mayor's Proposed Budget	City Council 12/03/03			
Police Department Rice Street store front lease costs	City Council 12/17/03	04100	12,000	
Public Works No changes to Mayor's Proposed Budget	City Council 12/03/03			
Technology & Management Services Adjustment in Amanda funding anticipated in the proposed budget (see Fire)	City Council, 11/26/03, Tech Change	01119-0280	(1,350)	
General Government Accounts Cancel Civic Organization Partnership Program Create new Neighborhood Ward Initiatives Program Provide funding for Youth Service bureau Add funding related to a Worker's Compensation Administrator Reduce Worker's Compensation costs		09100 09100 09100 09020 09020	(138,662) 88,562 50,000 87,000 (87,000)	
Property Tax Levy Financing Adjustment to Library Agency Financing (moving more General Fund tax levy financing to the Library Agency in lieu of LGA) Property Taxes - shift to Library Agency Property Taxes shift from Debt Service (City Council) Property Taxes shift from Debt Service (technical change) Property Taxes - related to Port Authority	City Council 9/10/03 City Council 9/10/03 City Council 12/03/03 City Council 12/03/03 City Council 12/03/03	00000-1001 00000-1001 00000-1001 00000-1001	(1,386,480) 130,000 320,000 21,928	

Council Action Adopting the City Budget (page 3)

2004 Budget Process

12/17/03 3:00 PM FINAL

Council's Fiscal Changes General Fund and Debt Funds

Description	Source of Recommendation	Change from Mayor's - Adopted by Council		
		Line Item	Spending	Financing
<u>Other Financing</u>				
Adjustment to Library Agency Financing (moving more General Fund tax levy financing to the Library Agency in lieu of LGA)	City Council 9/10/03			
Local Government Aid	City Council 9/10/03	00000-3401		1,386,480
Decrease in Hotel/Motel Rev. (net of -\$87,020 less revenue, plus \$12,000 from decrease in Act. 30108 reserve).	City Council, 11/26/03, Tech Change	00000-1401		(75,020)
Expiration of Low Income Housing Aid	City Council, 11/26/03, Tech Change	00000-3445		(272,192)
Adjustment needed to balance technical changes	City Council, 11/26/03, Tech Change			18,701
<u>Fund Balance</u>				
Adjustment needed to balance City Council changes				0
Total, Council's Changes			142,000	142,000
Mayor's Proposed General Fund Budget			154,343,497	154,343,497
Council's Preliminary General Fund Budget			154,485,497	154,485,497
Balance Indicator	Current Status:	Balanced Budget		0

General Debt				
Structure 2004 CI Bonds for principle payments in Sept. not Mar	City Council 12/03/03	89985-0514	(721,507)	
Reduce Subsequent Yr. Debt Amount as less is needed	City Council 12/03/03	89955-1001		(320,000)
Property tax shift to GF - funding for technical changes	City Council 12/03/03	89955-1001		(130,000)
Reduce transfer from Library Agency as Library bonds will be issued instead of CI bonds.	City Council 12/03/03	89955-7305		(271,507)
Total, Council's Changes			(721,507)	(721,507)
Mayor's Proposed Debt Budget			56,482,348	56,482,348
Council's Preliminary Debt Budget			55,760,841	55,760,841
Balance Indicator	Current Status:			0
				Balanced Budget

Council Action Adopting the City Budget (page 4)

2004 Budget Process

12/17/03 3:00 PM FINAL

Council's Fiscal Changes Special Funds

Description	Source of Recommendation	Change from Mayor's - Adopted by Council		
		Line Item	Spending	Financing
City Attorney				
Add funding for new Attorney (neighborhood focus)	City Council, 11/26/03, Tech Change	025-10204-0100	65,000	
Use of Fund Balance	City Council, 11/26/03, Tech Change	025-10204-9830		65,000
Citizen Services				
Move NHPI spending budget to new NHPI budget	City Council, 11/26/03, Tech Change	Fund 040	(720,557)	
Move NHPI financing budget to new NHPI budget	City Council, 11/26/03, Tech Change	Fund 040		(720,557)
City Council				
No changes to Mayor's Proposed Budget	City Council 12/03/03			
Financial Services				
Adjust to Central Serv. Cost in LIEP, Parks, & Vendor Outreach	City Council, 11/26/03, Tech Change	050-30117	(1,417)	
Financing adjustment related to the above entry	City Council, 11/26/03, Tech Change	050-30117		(1,417)
Hotel/Motel Activity 30108 spending decrease in reserve	City Council, 11/26/03, Tech Change	050-30108-0389	(12,000)	
Hotel/Motel revenue in Activity 30108 (net of above 2 changes)	City Council, 11/26/03, Tech Change	050-30108-0545	(98,135)	
Establish Vendor Outreach Prog. (Contr. Serv.) 5 FTE	City Council, 11/26/03, Tech Change	050-30108-1401		(110,135)
Establish Vendor Outreach Prog. (Contr. Serv.) Other Spending	City Council, 11/26/03, Tech Change	124-11254-0xxx	43,613	
Fees per Joint Powers Agreement	City Council, 11/26/03, Tech Change	124-11254-xxxx		43,613
Fire and Safety Services				
No changes to Mayor's Proposed Budget	City Council 12/11/02			
Human Rights				
No changes to Mayor's Proposed Budget	City Council 12/03/03			
Libraries				
See Public Library Agency				
License, Inspection and Environmental Protection				
Reduction in Central Service Cost due to reduction in FTEs	City Council, 11/26/03, Tech Change	320-33351-0290	(4,400)	
Increase in Central Service Cost due to increase in FTEs	City Council, 11/26/03, Tech Change	320-33353-0290	440	
Contribution to Fund Balance	City Council, 11/26/03, Tech Change	320-33351-9831		(3,960)
Increase in Central Service Costs due to shift of FTEs	City Council, 11/26/03, Tech Change	167-31352-0290	176	
Use of Fund Balance	City Council, 11/26/03, Tech Change	167-31352-9830		176
Recover legislative hearing costs (council contingency)	City Council 12/17/03	320-33353-0548	27,820	
Use of Fund Balance	City Council 12/17/03	320-33353-9830		27,820
Mayor's Office				
Serve Minnesota Grant received 10/13/03	City Council, 11/26/03, Tech Change	050-30114-0100	21,858	
Serve Minnesota Grant received 10/13/03		050-30114-0400	7,122	
Serve Minnesota Grant received 10/13/03		050-30114-0200	15,000	
Serve Minnesota Grant received 10/13/03		050-30114-0300	5,000	
Use of Fund Balance		050-30114-9830		48,980
Federal Grant received late 2003 (Amenocorp / Vista)	City Council, 11/26/03, Tech Change	050-30114-0545	217,885	
Contribution from Outside Agency	City Council, 11/26/03, Tech Change	050-30114-4905		217,885
Education Initiative	City Council, 11/26/03, Tech Change	050-30114-0518	40,000	
Use of Fund Balance		050-30114-9830		40,000
Neighborhood Housing and Property Improvement				
New NHPI spending budget from CSO budget	City Council, 11/26/03, Tech Change		720,557	
New NHPI financing budget from CSO budget	City Council, 11/26/03, Tech Change			720,557
Recover legislative hearing costs (council contingency)	City Council 12/17/03	040-30253-0548	27,820	
Use of Fund Balance	City Council 12/17/03	040-30253-9830		27,820
Parks and Recreation				
Star of the North Summer Games - Spending	City Council, 11/26/03, Tech Change	394-33150-0xxx	241,000	
Star of the North Summer Games - Financing	City Council, 11/26/03, Tech Change	394-33150-xxxx		241,000
Environmental Coordinator Promotion	City Council, 11/26/03, Tech Change	860-33196-0xxx	3,663	
(financed with fund balance)	City Council, 11/26/03, Tech Change	860-33196-9830		3,663
Planning & Economic Development				
Add funding related to Project Manager II promotion (financed with Fund Balance)	City Council, 11/26/03, Tech Change	126-36075	6,287	
Add funding to restore Principal Designer position (financed with Capital Project Funds)	City Council, 11/26/03, Tech Change	126-36075	117,042	
				117,042

Council Action Adopting the City Budget (page 5)

03-1087

2004 Budget Process
12/17/03 3:00 PM FINAL

**Council's Fiscal Changes
Special Funds**

Description	Source of Recommendation	Change from Mayor's - Adopted by Council		
		Line Item	Spending	Financing
<u>Police Department</u>				
Existing Grants approved for additional funding				
LEBG VIII	City Council, 11/26/03, Tech Change	436-34197	(110,043)	
Adjust estimate to equal funding awarded	City Council, 11/26/03, Tech Change	436-34197		(110,043)
Auto Theft Prevention Project	City Council, 11/26/03, Tech Change	436-34160	53,011	
Setup activity for regular auto theft grant	City Council, 11/26/03, Tech Change	436-34160		53,011
New Grants Received for 2004				
Recruit Community Policing Officers	City Council, 11/26/03, Tech Change	436-34076	190,484	
Grant received from Federal Government (US Dept of Justice)	Pol Mgmt			190,484
Auto Theft/Recovery Grant - SIU	City Council, 11/26/03, Tech Change	436-34076	35,839	
Grant received from State of Mn (MN Dept of Public Safety)	Pol Mgmt			35,839
Auto Theft/Recovery Grant - Juvenile	City Council, 11/26/03, Tech Change	436-34079	40,511	
Grant received from State of Mn (MN Dept of Public Safety)	Pol Mgmt			40,511
Unused Grants Funds From 2003 Carried Over Into 2004				
Cops Technology 2002	City Council, 11/26/03, Tech Change	436-34060	100,000	
Federal grant from 2002	City Council, 11/26/03, Tech Change			100,000
Capital lease costs for new ticket writing system	City Council, 11/26/03, Tech Change	420-34013	210,000	
Financing source to be determined	City Council, 11/26/03, Tech Change	420-34013		210,000
<u>Public Health</u>				
No changes to Mayor's Proposed Budget				
<u>Public Works</u>				
ROW Maint Assessment Fund Balance Financing				
Downtown Streets 1-A	City Council, 11/26/03, Tech Change	225-42360-9830		(62,432)
Downtown Streets 1-B		225-42361-9830		(2,258)
Outlying Comm/Arterial Commercial and Residential		225-42362-9830		90,020
Residential Streets		225-42363-9830		335,641
Old & Paved Alleys		225-42364-9830		(3,220)
Unimproved Street ROW		225-42365-9830		(6,978)
Unimproved Alley ROW		225-42366-9830		(113)
ROW Maint Assessment Revenue:				
Downtown Streets 1-A	City Council, 11/26/03, Tech Change	225-42360-9830	62,432	
Downtown Streets 1-B		225-42361-9830	2,258	
Outlying Comm/Arterial Commercial and Residential		225-42362-9830		(90,020)
Residential Streets		225-42363-9830		(335,641)
Old & Paved Alleys		225-42364-9830		3,220
Unimproved Street ROW		225-42365-9830		6,978
Unimproved Alley ROW		225-42366-9830		113
Move funding related to CMMS out of contingency	City Council, 11/26/03, Tech Change	205-12103-0548	(575,000)	
Move funding related to CMMS out of contingency	City Council, 11/26/03, Tech Change	205-12103-0219	575,000	
Move funding related to CMMS out of contingency	City Council, 11/26/03, Tech Change	225-42310-0548	(77,917)	
Move funding related to CMMS out of contingency	City Council, 11/26/03, Tech Change	225-42350-0548	(13,750)	
Move funding related to CMMS out of contingency	City Council, 11/26/03, Tech Change	240-12005-0548	(15,278)	
Move funding related to CMMS out of contingency	City Council, 11/26/03, Tech Change	240-12006-0548	(15,278)	
Move funding related to CMMS out of contingency	City Council, 11/26/03, Tech Change	240-12007-0548	(15,277)	
Move funding related to CMMS out of contingency	City Council, 11/26/03, Tech Change	260-22207-0548	(445,500)	
Move funding related to CMMS out of contingency	City Council, 11/26/03, Tech Change	225-42310-0567	77,917	
Move funding related to CMMS out of contingency	City Council, 11/26/03, Tech Change	225-42350-0567	13,750	
Move funding related to CMMS out of contingency	City Council, 11/26/03, Tech Change	240-12005-0567	15,278	
Move funding related to CMMS out of contingency	City Council, 11/26/03, Tech Change	240-12006-0567	15,278	
Move funding related to CMMS out of contingency	City Council, 11/26/03, Tech Change	240-12007-0567	15,277	
Move funding related to CMMS out of contingency	City Council, 11/26/03, Tech Change	260-22207-0567	91,667	
Move funding related to CMMS out of contingency	City Council, 11/26/03, Tech Change	260-22207-0219	353,833	
<u>Technology & Management Services</u>				
No changes to Mayor's Proposed Budget				
<u>All Special Fund Department Budgets</u>				
Total, Council's Changes			1,243,576	1,243,576
Mayor's Proposed Special Funds Budget			193,128,063	193,128,063
Council's Preliminary Special Funds Budget			194,371,639	194,371,639
Balance Indicator	Current Status:	Balanced Budget		

03-1087

2004 Budget Process
12/17/03 3:00 PM FINAL

**Council's Fiscal Changes
Capital Improvement Budget**

Description	Source of Recommendation	Log No.	Spending	Financing	Financing Source
General Govt Accounts (Financial Services)					
Revised sales tax revenue estimates of Dec. 10, 2003					
Neighborhood: Revenues		CF-6600839		(6,566,000)	
Neighborhood: Interest Earnings		CF-6600839		(252,396)	
Neighborhood: Interest Earnings-Land Assembly Bonds		CF-6600839		100,000	
Neighborhood: Fund Balance		CF-6600839		961,747	
Neighborhood: Loan Repayments		CF-6600839		(720,608)	
Neighborhood: Annual program		CF-6600839	(10,340,000)		
Neighborhood: STAR program		CF-6600839	1,000,000		
Neighborhood: Housing 5000		CF-6600839			
Neighborhood: Council Contingency		CF-6600839		100,000	
Neighborhood: Neighborhood Invest. Initiative		CF-6600839		141,004	
Neighborhood: Transfer to Debt Service Fund		CF-6600839		2,621,737	
Cultural: Revenues		CF-6600839		1,366,820	
Cultural: Interest Earnings		CF-6600839		56,875	
Cultural: Loan Repayments		CF-6600839		28,218	
Cultural: Use of Fund Balance		CF-6600839		32,238	
Cultural: STAR program		CF-6600839	1,427,256		
Cultural: Transfer to General Fund		CF-6600839		56,875	
RiverCentre: Revenues		CF-6600839		5,467,200	
RiverCentre: Interest Earnings		CF-6600839		20,000	
RiverCentre: Debt Service		CF-6600839	5,153,265		
RiverCentre: Repay Neighborhood Account		CF-6600839		31,592	
RiverCentre: Repay Cultural Account		CF-6600839		6,318	
RiverCentre: Repay General Fund		CF-6600839		296,025	
RiverCentre: Repay Neighborhood Account		CF-6600839			
RiverCentre: Repay Cultural Account		CF-6600839			
Correct interest earnings in the CIB budget to be transferred to Debt Service Fund 960 as called for in the 2004 Mayor's proposed budget (\$1M instead of \$750K).	City Council, 11/26/03, Tech Change	CF-6600869	250,000	250,000	
Fire and Safety Services					
Fire Station #8	City Council 12/03/03	CF-5501237	0	0	
(add \$787,000 of prior-year CIB balance in 2003; \$3,643,000 of CIB in 2005)					
Parks and Recreation					
Add CIB funding for Wellstone Center	City Council 12/03/03	CF-0300707	696,000	696,000	
Add CDBG prior-year balances for Wellstone Center (financing is prior-year funds from Rice St. Library) (add \$500,000 of prior-year CDBG funding for 2003; reduce 2005 CDBG funding to \$500,000; reduce 2007 CDBG funding to \$82,000)	City Council 12/03/03	CF-0300707	604,000	604,000	
Planning & Economic Development					
Change Fund 149's 2004 amount to \$2,700,000. Out year amounts to \$2.7 million.	City Council, 11/26/03, Tech Change	RE-5500838	500,000	500,000	
Public Libraries					
Remove Lexington Library CIB prior-year balances	City Council 12/03/03	CF-5501082	(954,000)	(954,000)	
Remove Lexington Library CDBG prior-year balances (Remove all other Lexington Library financing from 2005-07: 2005: \$4 million of CIB, \$304,000 of CDBG prior-year balances and \$300,000 sale of land 2006: \$1.5 million of CIB 2007: \$948,000 of CIB)	City Council 12/03/03	CF-5501082	(672,000)	(672,000)	
Remove 2004 Central Library repayment to HRA	City Council 12/03/03	CF-6600782	(2,097,000)	(2,097,000)	
Public Works					
Add CIB funding for Como Bike Lanes (add \$357,000 of CIB funding in 2005, and \$825,000 of federal funding in 2005)	City Council 12/03/03	SU-5500802	56,000	56,000	
Total, Council's Changes			(1,122,928)	(1,122,928)	
Mayor's Proposed CIB			84,084,000	84,084,000	
Council's Preliminary CIB			82,961,072	82,961,072	
Balance Indicator	Current Status:	Balanced Budget		0	

Glossary

Activity. An activity is a subunit of a fund. Each fund contains one or more activities, a specific and distinguishable budgetary unit of work or service. Activities are detailed levels of budget spending authority created to accomplish the approved objectives of the fund.

Activity Manager. Each activity manager shares in the authorities and responsibilities of the fund manager outlined below. In addition, each activity manager's responsibilities include attaining the performance objectives assigned to their activity, approving spending payments and directing the day-to-day operations of their activity.

Activity Number. A five (5)-digit number which uniquely identifies the activity. The first digit indicates the fund type while the second digit indicates the department.

Fund type:

- 0 General Fund
- 1 Internal Service Funds
- 2 Enterprise Funds
- 3 Special Revenue Funds
- 4 Special Assessment Funds
- 5 Trust and Agency Funds
- 6 Permanent Improvement Revolving Funds
- 7,9 Bond Funds (includes Capital Improvement Bond Funds)
- 8 Debt Service Funds

Department:

- 0 Administrative Units (includes: Affirmative Action, City Attorney, Citizen Service, City Council, Financial Services, Human Resources, Human Rights, Labor Relations, Licence Inspections and Environmental Protection and Mayor)
- 1 Technology and Management Services
- 2 Public Works
- 4 Police
- 5 Fire
- 6 Planning and Economic Development
- 9 General Government Accounts
- 11 Libraries (new structure)
- 31 Parks
- 32 Public Health
- 33 License Inspections and Environmental Protection
- 34 Libraries (old structure)
- 99 Debt Service

For example, Risk Watch (35115) is a special revenue fund activity in the Department of Fire and Safety Services. Similarly, accounting bureau (02020) is a general fund activity in the Public Works Department. See *Fund Number*.

Allocation. A portion of a lump-sum appropriation which is designated for expenditure by specific organizational units or for special purposes. See *Appropriation*.

Appropriation. An expenditure authorized by the city council for a specified amount, and time.

Assessed Valuation. The value that is established for real estate or other property by a government for use as a basis for levying property taxes.

Bond. A written promise to pay a specific sum of money (called the principal amount or face value) at a specified future date (called the maturity date) along with periodic interest at a specified rate.

Budget Document. The written record of the comprehensive financial plan the mayor presents to the city council for review, revision if deemed appropriate, and adoption.

Capital Allocation. Assignment of available capital (dollars) to specific uses.

Capital Expenditure. Actual spending of capital (dollars) for capital improvement projects.

Capital Improvement. The purchase or construction of durable/fixed assets. Examples include streets, bridges, parks or buildings.

Capital Improvement Budget (C.I.B.). A plan for capital expenditures (physical development of the City) to be incurred each year, over a fixed number of years, in order to meet capital needs arising from the long-term work program.

Capital Outlay. Equipment, machinery, vehicles, or furniture items included in the operating budget. See *Capital Improvement Budget*.

Capital Projects Fund. A fund established to account for all financial resources used for the construction or acquisition of major capital facilities, except those financed by special assessment, proprietary, or fiduciary funds.

CIB. Acronym for capital improvement budget.

Debt Service Fund. A fund established to account for the financial resources used for the payment of long-term general obligation debt principal, interest, and related costs.

Division. An organizational subunit of a department in the general fund. Each department has one or more divisions, which are responsible for one or more activities.

Encumbrances. Legal commitment of appropriated funds (in the form of purchase orders or contracts) to purchase goods or services to be delivered or performed at a future date. They cease to be encumbrances when paid or when the actual liability is created.

Enterprise Fund. A fund established to account for city operations that are financed and

Glossary—Continued

operated in a manner similar to private business enterprises. The intent is that the costs (expenses, including depreciation) of providing goods and services on a continuing basis be financed or recovered primarily through user charges.

Expenditures. Total charges incurred, whether paid or unpaid, including the provision for retirement of debt not reported as a liability of the fund from which it will be retired, and capital outlays (for governmental funds and fiduciary funds, except non-expendable trust funds).

Expenses. Charges incurred, whether paid or unpaid, for operation, maintenance, interest, and other charges which benefit the current fiscal period (for proprietary funds and non-expendable trust funds). See *Expenditures*.

FMS, or FM-80. Reference to the City of Saint Paul's financial management computer system.

F.O.R.C.E. Acronym for focusing our resources on community empowerment. This is a unit within the Police Department dedicated to combat problems, at the neighborhood level, of street level narcotics, problem properties and disruptive behavior.

Fiduciary Fund. A fund established to account for resources held for the benefit of parties outside the government.

Financing Plan. Identifies sources of revenues that support the spending plan.

Full Time Equivalent (FTE). A personnel position which is financed for the equivalent of 80 hours per pay period, for 26.1 pay periods (a typical year), or 2,088 hours in a year. This is roughly equivalent to 40 hours per week for 52 weeks. For example, a .5 FTE would represent 20 hours per week for 52 weeks, or 40 hours per week for 26 weeks. A 1.0 FTE is a general reference to a position normally working for a year.

Fund. Each individual fund is a separate accounting entity having its own assets, liabilities, revenues and expenditures or expenses. City financial resources are allocated to, and accounted for, in individual funds based on legal, donor, or administrative restrictions or requirements. The individual funds are organized by fund type. See *Fund Type*.

Fund Balance. An equity account reflecting the excess of accumulated assets over accumulated liabilities and reserves (monies set aside for specific purposes).

Fund Manager. Fund managers are accountable to and receive authority from their department director and division manager, and ultimately from the mayor, the city council, and city residents/taxpayers. Each fund manager is responsible for correctly preparing and submitting the portion of the city's financial plan that is provided by their

fund. This includes a properly completed budget request consisting of performance, spending and financing plans. Fund managers are responsible for monitoring the collection of receipts, authorizing spending payments, cash flow planning, and service delivery in accordance with the adopted plan. Fund managers are also responsible for forecasting significant performance, spending or financing variances, determining their cause, creating a solution, and reporting such information to their department director and the director of the office of financial services. See *Performance Plan*, *Spending Plan*, and *Financing Plan*.

Fund Number. A three-digit number which uniquely identifies the fund. For example, the general fund is fund number 001, parks and recreation grant fund is 860 and the fire clothing trust fund is 736. There is no significance to the sequence of numbers. See *Activity Number*.

Fund Type. A classification of funds by similar purpose. The fund types are: governmental (general, special revenue, debt service, capital project, special assessment), proprietary (enterprise, internal service), and fiduciary (trust and agency funds). Although the city hall annex operating fund and the public works engineering fund are separate funds, they are the same fund type (internal service). See each fund type for its definition. Also see *Fund*.

GIS. Acronym for geographic based information systems.

General Fund. The fund used to account for all financial resources not specifically earmarked for other purposes. The general fund is the primary operating fund for the City of Saint Paul.

Governmental Funds. All funds other than fiduciary and proprietary funds. Includes the general fund, special revenue funds, capital projects funds, debt service funds, and special assessment funds. The measurement focus is on spending or financial flow rather than on net income. See *Fiduciary Funds* and *Proprietary Funds*.

HACA. Acronym for homestead and agricultural credit aid. See *State Aids*.

HRPRBA, or HRMS. Acronym for human resources, payroll, benefits administration. This acronym once referred to the development of the city's automated system for human resources, payroll, benefits administration.

Internal Service Fund. A fund established to account for the financing of goods or services provided by one city department to other city departments, divisions or funds on a cost-reimbursement basis.

LGA. Acronym for local government aid. See *State Aids*.

Glossary—Continued

LLEBG. Acronym for local law enforcement grant, which is a federal grant program.

MELSA. Acronym for Metropolitan Library Service Agency.

MSA. Acronym for municipal state aids. See *State Aids*.

Object Code. A four-digit code assigned to a specific type of receipt or expenditure. A major object code is a grouping of expenditures or receipts on the basis of the types of goods or services purchased or rendered. For example, personal services, materials, supplies, and equipment are major object codes.

Operating Budget. The annual operating budget is the primary means by which most of the financing, acquisition, spending, and service delivery activities of a government are controlled.

Operating Transfer In/Out. Inter-fund transfers are legally authorized transfers between a fund receiving revenue and a fund where resources are expended.

PED. Acronym for planning and economic development department.

Performance Plan. A fund manager's estimate of the service level desired by the mayor, city council, and residents of the city. Includes mission statement, objectives and performance indicators.

Permanent Fund. A fund established to account for the custody and administration of assets held in a trust capacity. The assets held in a trust fund must be spent or invested in accordance with the conditions of the trust. Expendable trust funds are similar to governmental funds in that the measurement focus is on spending or financial flow rather than on net income. Non-expendable trust funds are similar to proprietary funds, with the measurement focus on determination of net income. See *Agency Fund* and *Fiduciary Fund*.

P.I.R. Acronym for public improvement revolving (fund).

Proprietary Funds. Any fund which attempts to determine net income. Measurement focus is on cost of services similar to private sector for-profit organizations. This category includes enterprise and internal service funds.

Recoverable Expenditure. An expenditure made for, or on behalf of, another governmental unit, fund, or department, private individual, firm, or corporation which will, subsequently, be recovered in cash or its equivalent.

Retained Earnings. An equity account reflecting the accumulated earnings of an enterprise or internal service fund which are not reserved for any specific purpose.

Special Assessment. Charges which the local government collects from property owners to pay for specific services or capital improvement projects such as streets, sewers, etc., which benefit a particular piece of real estate.

Special Revenue Fund. A fund established to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, and capital projects) that are legally restricted to expenditures for specified functions or activities.

Spending Plan. Provides a unit or subunit of an organization with spending authority to pay for the resources required to effectively accomplish the performance plan.

STAR. Acronym for sales tax revitalization program. This is also referred to sometimes as cultural sales tax revenue.

State Aids. The following are the major types of intergovernmental revenues received by the City of St. Paul from the State of Minnesota:

Local Government Aid (LGA): Begun in 1971, this program was designed to provide indirect property tax relief through the redistribution of income tax and sales tax revenues collected at the state level to local units of government. The amount of funding received by local units of government is based on a distribution formula determined by the Minnesota State Legislature. The distribution formula addresses "need" as well as "equity". Based on this distribution formula, current state LGA appropriations are not sufficient to fully fund the program. Consequently, adjustments in the amount distributed to cities and counties are made based on percent changes to past years' amounts. The 2001 State Legislature rolled the Homestead and Agricultural Credit Aid into Local Government Aid.

Market Value Credit. In 2003, each city receives an aid reduction equal to 9.3% of the city's levy plus aid revenue base. The levy plus aid revenue base is equal to the sum of the city's property tax levy for taxes payable in 2003, plus the sum of the amounts the city was certified to receive in 2003 as local government aid, existing low-income aid, new construction low-income housing aid; and taconite aid. The aid reduction is limited to 5.25% of the city total revenues for 2003. The aid reduction is applied first to the city's LGA, and then if necessary to the market value credit.

Municipal State Aids (MSA). This program is financed by motor vehicle related taxes collected at the state level. The state gasoline tax is the largest revenue source and the dollars collected are constitutionally dedicated for expenses related to MSA routes. The revenues are redistributed back to municipalities of 5,000 or more residents to be used for construction and maintenance of their MSA designated routes.

Glossary—Continued

Tax Increment District. A tax increment district is a designated geographical area where a city is undertaking redevelopment or development activity. Any increase in assessed valuation due to new development activity is captured by the district. Property taxes levied against those captured values are used to finance the public improvement costs incurred to induce the private development activity. Public improvement costs can be financed by issuing bonds or by a pay-as-you-go plan.

City of Saint Paul Budget Documents: General Description

The Mayor must propose to the City Council, by August 15 of each year, a complete financial plan for the next calendar year. After considering the Mayor's recommendations, the City Council must adopt the annual budget by December 20. The annual financial plan for the City of Saint Paul is composed of spending, financing and performance plans for three types of budgets: operating, debt service and capital improvements.

Operating Budget: The annual operating budget is a twelve-month financial plan that provides for the delivery of city services; support and planning for service delivery; routine maintenance; minor remodeling and repairs of existing structures; acquisition of vehicles, mobile, mechanical and office equipment; and other items having an estimated useful life of less than three years. The primary financing sources for the operating budget are property taxes, state aids, dedicated revenues, user charges, and grants.

The operating budget accounts for financial resources through various funds. The general fund, which is the largest of the city's operating funds, supports basic city services such as public safety and recreation. Other operating funds, commonly referred to as special funds, include internal service funds, enterprise funds, special assessment funds, special revenue funds and trust and agency funds, and support services that generally are financed by non-property tax revenues. For the majority of city funds, the modified accrual basis of accounting is used to budget and account for financial resources. Under this method, expenditures generally are recognized when incurred and revenues are recognized when they become both measurable and available. Internal service and enterprise funds use the accrual basis of accounting, however, where expenses are recognized when incurred and revenues are recognized when earned.

Debt Service Budget: The annual debt service budget provides for the payment of interest and principal on short and long term general obligation debt. It also includes reserves for a part of the following year's debt service. Primary financing sources for debt service budgets are property taxes, transfers from other funds, interest earnings, and dedicated revenues such as tax increments, special assessments to benefitted properties, and utility user fees. Debt service for revenue bonds is usually budgeted in a special fund budget.

Capital Improvement Budget: The annual capital improvement budget includes appropriations for all projects having an estimated useful life in excess of three

years (other than the acquisition of office or mechanical equipment, or minor remodeling or repairs of existing structures). Projects are financed with general obligation or revenue bonds, aids, grants, and special revenues received by the city for capital improvements, and all monies appropriated in the general fund and special fund budgets for capital projects. The capital improvement budget does not finance vehicles or mobile equipment.

Although the capital improvement budget is adopted annually, project selection and prioritization occurs on a biennial basis. A special citizen committee reviews project proposals submitted by civic organizations, neighborhood groups and city departments, and then develops project recommendations that serve at the basis for the mayor's proposed capital budget. When the biennial budget is adopted by the City, the first year becomes law, while the second year serves as a guide for the following year's appropriations. The capital improvement budget is also part of a ten-year program developed by the city's planning commission to plan for the physical development or redevelopment of city-owned land, buildings, and other improvements, as well as to induce the private development of housing and business facilities. Budget appropriations are multi-year in nature and remain until a project is either completed or canceled.

Starting with the 2004 budget, the library budget will no longer be included in this publication. This is a result of a resolution passed in 2003, to establish a separate library board. Therefore, beginning with 2004, the library budget will be published as a separate document.

Budget Structure

Budgets are requested and approved at the activity level. Activities are aggregated into divisions in the general and special operating funds. Funds and divisions are then aggregated into departments or offices. Departments manage operating (general fund and special funds) budgets, debt service budgets, and capital improvement budgets. Overall management of the general operating fund is the responsibility of the director of the office of financial services.